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TODAY: SPORTS Sampras Wins. Page 20.

Young Party Mavericks Dare to Envision a Post-Kohl Era

By John Vinocur
International Herald Tribune

BONN — A young politician from Chancellor Helmut Kohl's own ranks volunteers that the finance minister has botched a major tax reform plan and should quit. Mr. Kohl tells the young man, in substance, to shut up.

The politician, Christian Wulff, the 37-year-old state chairman of the Christian Democratic Union in Lower Saxony, pays no attention. He repeats the accusation publicly and finds support from young party leaders in four or five other states. Mr. Kohl dismisses the outburst as an "attempt to create a personal profile."

On the still waters of German domestic politics halfway through the 14th year of Mr. Kohl's chancellorship, this exchange constitutes real effervescence. Coming last week, just after a statement by Wolfgang Schaeuble, the Christian Democratic parliamentary chief, that he might want the chancellor's job one day soon, the remarks have given substance for the first time to the idea that Mr. Kohl's succession is on the mind of his party as it faces national elections in 1998.

"Let's try to be serious," said Friedbert Pflueger, a party member in the lower house of Parliament from Mr. Wulff's age group and state. "From a parliamentary delegation of, say, 300 members, I can think of two who would vote against Kohl as the next candidate for chancellor. But things are more fragile and complicated than that."

The fragility comes from the worsening state of the German economy. The complications are involved in the notion of some party members that Mr. Kohl (who has not said if he will seek another term) is an accomplished vote-getter, symbol of security, and a repository of international respect at age 66, but not someone dealing with convincing vigor to right the country's problems of lost jobs, diminished competiveness and enormous social-service costs.

By the government's own reckoning, whatever economic growth Germany generates in 1997 will not be sufficient to stop the jobless rate from rising by the end of the year to 11 percent from the postwar high of 10.8 percent in December. Some private calculations forecast a rate of 15 percent to 16 percent based on wider definitions of unemployment than those used by the government.

In acknowledging that something important has changed since the New Year, the conservative

See KOHL, Page 10

Albania Sends Army Into Streets Amid Riots

Government Blamed For Lost Savings; Buildings Set Afire

Compiled by Our Staff From Dispatches

TIRANA, Albania — The Parliament authorized the use of the military Sunday to guard roads and government buildings as violent protests around the Balkan state escalated.

Parliament, mostly made up of deputies of the governing rightist Democratic Party, voted, 96 to 2, in favor of the measure.

Albanians, blaming the government for huge losses of their savings in shaky pyramid investment schemes, set buildings ablaze Sunday in the south and fought riot police in Tirana.

Parliament, sitting for the first time on a Sunday since President Sali Berisha's Democrats swept to power in the 1992 general election, took the vote in an emergency session.

Foreign Minister Tritan Shehu, himself attacked during a protest in the town of Lushnje on Saturday, blamed what he called "extremist forces" for the crisis.

"It is not the mass of Albanian Socialists, but there are some Marxist extremists who have always wanted to seize power through violence," Mr. Shehu said after the vote. "These are segments of the former secret police who want to profit from this moment when Albanian citizens are having financial difficulties to try to destabilize Albania."

Witnesses earlier saw two military trucks carrying about 40 soldiers arrive at the Interior Ministry in central Tirana. Soldiers armed with submachine guns were already on guard around the main Skanderbeg Square, the site of several government buildings.

Riot police had earlier dispersed about 30,000 people who had gathered in the square, the scene of numerous anti-government demonstrations this month, to demand that the ruling Democratic Party resign.

"There were injuries to many police and protesters," a witness said. State television reported more protests across southern Albania in Fier, Korce, Fushe Kruje as well as Lushnje.

The disturbances, which began nearly two weeks ago, have gathered momentum across Albania as people have seen their life's savings evaporate with the collapse of the once-popular

See ALBANIA, Page 10

Already Integrated Into China

Many Hong Kong Ties to Mainland Are Complete

By Keith B. Richburg
Washington Post Service

HONG KONG — On reclaimed land at the edge of Victoria Harbor, construction crews in blue and white hard hats are working feverishly on bamboo scaffolding to complete the newest addition to the city's waterfront skyline — a $620 million extension to the convention center, a modernistic structure with a sloping roof designed to resemble a bird in flight.

In just over five months, the cavernous grand foyer's maiden event will likely be its most historic: the ceremony marking Hong Kong's change of sovereignty from British to Chinese rule.

But while the focus of world attention June 30 and July 1 will be on the events at the waterfront — the handshake between British and Chinese officials, the lowering and raising of the respective flags — the real story of Hong Kong's integration into China already can be seen 30 kilometers (20 miles) to the north, at such small, nondescript places as Lok Ma Chau, Man Kam To and Sha Tau Kok.

Those are Hong Kong's three main vehicle crossing points into China, and every day tens of thousands of container trucks loaded with goods and produce make the passage, moving in both directions along busy highways linking the colony's New Territories with China's Guangdong Province. Last year, Hong Kong's border police reported, 4.5 million vehicles made the crossing, with about 80 percent of the traffic container trucks.

That truck traffic is one of the most visible signs of a decade-old phenomenon that might be called the "mainlandization" of Hong Kong. The rapid transformation of the economies and societies of both Hong Kong and southern China has progressed to the point where the two sides of the border are inextricably linked, each broadly influencing the other.

Midnight June 30 is when the last British governor departs and Beijing officially takes charge. But in almost every facet of life in Hong Kong these days — from the boardrooms of Central to the barrooms of Wanchai — China is already here.

"Nineteen ninety-seven is a political watershed, but it means nothing for the integration of Hong Kong into China," said Thomas Chan, director of the China Business Center at Hong Kong Polytechnic University. "That process has been going on for 10 years."

Politically, Hong Kong is set for some dramatic changes this summer after 150 years as Britain's imperial outpost in Asia. On July 1, Hong Kong residents will wake up to their first homegrown, ethnic Chinese leader, Tung Chee-hwa, a shipping tycoon. People's Liberation Army troops will be based on the waterfront, in what is now the Prince of Wales barracks housing the remnants of the British garrison. And the elected legislature, with its lively debates and sharp criticism of the colonial government's policies, will cease to exist.

Hong Kong will become a much different society, despite all the pledges and expectations that the current system will remain unchanged for 50 years. Beijing last week served notice of its intentions by quickly backing a plan by its advisers to curtail civil liberties laws, broaden police powers to ban even peaceful protests and limit privacy rights.

But in several spheres, the transformation will be far less dramatic, because it has already occurred. The most important of those areas, the one where mainlandization is most pronounced, is economic and commercial life of this capitalist enclave.

"The economic integration of Hong Kong and China has been going on since 1978," said Allen

See HONG KONG, Page 6



The Associated Press

Rita Fan, after her election as head of Beijing's shadow legislature for Hong Kong. Page 4.

Let Britain Worry About Liberties, EU Says

By Barry James
International Herald Tribune

PARIS — Despite protests by Britain and the United States over China's intention to dilute civil liberties in Hong Kong, the response of the European Union about the developments in its seventh-largest trading partner has remained muted.

Neither the European Commission nor any of the member governments apart from Britain have expressed concern over Beijing's proposal to amend civil-rights legislation when the colony reverts to China on July 1.

Nor, officials say, is Europe likely to get up on the grandstand in support of the British position. A spokesman at the French Foreign Ministry said the European Union expressed its views on the Hong Kong transition at the EU meeting in Dublin in December — the Union said it hoped the handover would be smooth and successful — and would not comment on every development.

Political analysts said the reason for the European silence was twofold. On the one hand, the EU governments do not want to jeopardize their relationship with China.

On the other, they consider that the problem is for Britain alone to solve, and no one seems willing to offer help to an ally that is widely regarded as an obdurate opponent of European integration. (A Foreign Office spokesman in London, however, described the attitude of other European countries as "supportive.")

"Britain currently, and very sadly, is a tar baby right now," said Stanley Crossick, head of the Belmont European Policy Center in Brussels, who wrote a report on the colony last year.

"The United Kingdom's position on Hong Kong is ludicrous and has been from the outset," Mr. Crossick said, because "Britain was perfectly content to rule Hong Kong autocratically" before

See COLONY, Page 6

AGENDA

Yeltsin Not Key to Ties, U.S. Says

WASHINGTON (Reuters) — Secretary of State Madeleine Albright said Sunday that U.S. ties with the Russia were not dependent on its ailing president, Boris Yeltsin.

She also said on an NBC television program that a planned meeting between President Bill Clinton and Mr. Yeltsin in March was still expected to take place.

Mrs. Albright said the administration was closely monitoring the progress of Mr. Yeltsin, who is recovering from double pneumonia.

Algiers Rally Is Calm

Algerian security forces on Sunday prevented an opposition rally that was called to demand dialogue with outlawed Islamists and an end to bloodshed. The opposition had threatened to defy a ban on street protests, but the demonstrators avoided confrontation, marching peacefully and laying a wreath near the site of a car bomb that killed 42 people last week. Page 6.

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All Eyes Turn To Tokyo for Clues on Yen

By Carl Gewirtz
and Velisarios Kattoulas
International Herald Tribune

Nervous eyes will be focused on the Tokyo foreign-exchange market Monday as investors try to figure out whether Japan intends to stop the decline of the yen against the dollar.

A taste of what might lie ahead came Friday, when a television news report from Tokyo that the Bank of Japan had intervened to buy yen pulled the dollar down from a 47-month high of 120.2 yen. The dollar ended trading in New York at 118.9 yen.

Inconsistent statements from various Japanese officials have left investors wondering just what the country's foreign-exchange policy really is. Last week, the finance minister and the prime minister made contradictory statements about the yen on the same day.

On Sunday, Eisuke Sakakibara, director-general of the Finance Ministry's International Finance Bureau, tried to stave off further weakness in the yen and Japanese stocks by insisting that worries about Japan's economy were overblown.

"I think Japanese people should stop selling out their own markets," Mr. Sakakibara said in a televised interview. "The economy is not in as bad a shape as the market thinks."

The yen has tumbled 2.8 percent against the dollar this year alone, and 50 percent since its 1995 record high, as Japanese investors moved their money to higher-yielding and more stable investments abroad. The benchmark Nikkei 225-stock index has fallen 8.64 percent this year, including a 1.23 percent drop Friday, when the index closed at 17,689.36 points.

Analysts warned of further stock-market turmoil this week because of nagging anxiety about Japan's economy and its debt-laden financial system.

To instill confidence in jittery investors, Mr. Sakakibara denied reports of disagreement between Tokyo, Washington and Bonn about the appropriate

See YEN, Page 10



Hektor Pustina/The Associated Press

WHO'S WHO? — Riot police heaving rocks back at demonstrators in the southern Albanian town of Lushnje.

Israelis Propose Creation Of a Palestinian 'Entity'

By Serge Schmemann
New York Times Service

JERUSALEM — A group of Labor and Likud legislators who have been working to find common ground for future negotiations with the Palestinians have joined in proposing that the Palestinians eventually be granted a self-ruled "entity" and that no Jewish settlers be forcibly uprooted from the West Bank or the Gaza Strip.

While the proposals have not been officially approved by either party and are not likely to be, the plan was the first to be prepared jointly by members of the two major parties. It is likely to serve at least as a frame of reference in the talks on a final settlement with the Palestinians that are supposed to be restarted soon, and in the debates within Israel over the settlement's shape.

The document, which was made public on Sunday, was drafted by prominent members of each party. The Likud group was led by Michal Eitan, the governing party's whip in Parliament, and the Labor team by Yossi Beilin, a former cabinet minister and a candidate for the party leadership.

The notion behind the project was that the assassination of Yitzhak Rabin in November 1995 and the vicious dis-

A graft inquiry may threaten the Netanyahu government. Page 10.

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	18 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

Team Makes Waves With Atom Laser

Invention May Herald Super-Detectors and Measuring Equipment

By Curt Suplee
Washington Post Service

WASHINGTON — Scientists have harnessed the eeriest mysteries of modern physics to create the world's first atom laser — a device that fires a narrow beam of perfectly matched "matter waves," just as a laser shoots out a stream of identical light rays.

"We have closed the circle," said Wolfgang Ketterle, a physicist whose team at the Massachusetts Institute of Technology made the atom laser. "We can now do with matter waves what was only possible with optical waves before."

The invention, formally announced Sunday, is a rudimentary prototype intended to prove the principle. But the intensely awaited accomplishment prompted experts to speculate that the device might eventually make possible unprecedented manipulation of matter at the atomic scale.

It could drastically improve the accuracy of many kinds of detectors and measuring equipment and permit fabrication of exquisitely tiny electronic circuits and other "nanotechnology."

Beyond that, "We haven't even begun to imagine the things that an atom laser can do," said Bill Phillips, an atomic physicist with the National Institute of Standards and Technology.

When the optical laser was invented 37 years ago, "people said it was just a solution looking for a problem," he noted. "Who could have imagined, in 1960, that we would use them to play music" in today's CD players?

Because "laser-like atoms exist only in an ultrahigh vacuum environment," Mr. Ketterle said, "it is unlikely that the atom laser will ever improve supermarket scanners or CD players."

But there may be numerous practical uses. Because atom waves are so much smaller than visible light waves, their interference patterns can reflect subtle variations in forces to which atoms are sensitive, such as gravity and electric

See LASER, Page 10

War on Polio / **India Finally Strikes Back**

A Huge Immunization Project for Children

By John F. Burns
New York Times Service

GAGANGAON, India — When the children of this village began to gather for polio vaccinations at the clinic near the pole-and-mud hut that is his home, Dewoo Hovaliya sat as he usually does on the warm, dry days of the Indian winter, naked on the bare earth before the hut.

Occasionally, the little boy looked toward the hubbub of women lining up with infants around the clinic, 90 meters (300 feet) away in a grove of casuarina trees. Then he returned to the lonely routine that occupies his days, squatting and scratching at the earth, bursting into tears when strangers come too close.

Dewoo, who is 8, is severely disabled, physically and mentally, by polio contracted when he was 1. On this recent morning his 2-year-old brother, Ajit, was among 120 million children who received drops of oral polio vaccine across India as part of a crash immunization program that has brought the country's incidence of polio tumbling.

After years of inefficiency and delay that have left India with the highest incidence of polio of any nation, health officials agreed a year ago to adopt a new approach to polio eradication. Twice in the past six weeks, hundreds of thousands of health workers and volunteers fanned out across India, into virtually every urban neighborhood and every village, to vaccinate small children.

International health experts are confident that the approach, begun in December 1995 and repeated again recently, has put India on a course to join scores of other nations that have wiped out polio. This would be a crucial step toward a polio-free world by 2000, a goal proclaimed by the World Health Organization a decade ago.

But for Dewoo, the polio victim in this village 130 kilometers (80 miles) north of Bombay, the new approach has come too late.

"If I could have immunized my child," said Vavuradika Hovaliya, the boy's father, "he would have been walking on his own feet, playing with other children."

Polio, a spinal inflammation, causes fever and paralysis that often results in permanent disability and deformity. Vaccines against it have been available in India for at least 20 years under a program run by the health authorities.

But official assertions that the regular program has reached more than 90 percent of Indian children have been shown to be greatly exaggerated, especially in the 650,000 villages where two-thirds of Indians live. Mr. Hovaliya said he had never heard of a polio vaccine until the new program came to this village for the first time 13 months ago.

It has been more than 40 years since Jonas Salk developed an injectable polio vaccine. And Albert Sabin's invention of an oral vaccine in the 1950s made it possible to mount an effective attack on the polio virus, one of the greatest human health scourges. In many parts of the world, the disease has been eradicated through mass immunization, particularly of small children, who are the most susceptible.

WHO estimates that at least half of all new cases each year occur in India, which makes it one of the last bastions of the disease. At least 25 million Indians have been severely disabled by polio in the past 25 years. But if the fast-falling rates achieved by the crash immunization are sustained, health experts say the country might be polio-free in two or three years.

In the meantime, India and its immediate neighbors remain the biggest challenge. The health agency estimates that of 100,000 new polio cases reported from about 60 countries each year, 80 percent occur in India, Bangladesh, Burma, Nepal, Pakistan, Sri Lanka and Thailand. An additional 150 nations, including those of North and South America and Western Europe as well as China and Australia, have been certified as polio-free.

What this means, according to epidemiologists like Jon Andrus, a 44-year-old American who monitors the polio eradication program for WHO from New Delhi, is not that these countries have no polio, but that there are no new cases resulting from "indigenous transmission" from one long-term resident to another.

Health experts say one reason India and its neighbors have the highest incidence of polio is their hot, humid climate, which provides ideal breeding conditions for the virus.

Poor sanitation, traditionally one of India's greatest health problems, has made its children particularly vulnerable, because they are too young to take basic precautions against a virus that attacks through oral contamination. A lack of toilets and sewage systems forces hundreds of millions to defecate on open ground, often near homes and water sources, or among crops.

Still, the plunging rates since the adoption of the crash program have bolstered confidence. Figures compiled by state governments show the number of reported cases falling to 742 in the first nine months of 1996, after the first round of mass immunizations, from 2,643 in the same period in 1995. A decade ago, nearly 30,000 cases were being reported every year.

THE WORLD Health Organization says that the actual number of polio cases across countries like India, with large territories and partly monitored populations, may be up to 10 times higher.

Even so, Indian health workers see the trend in official figures as evidence that eliminating the disease is well within reach. "We know now that the world is going to eradicate polio," Dr. Andrus said. "And one of the reasons we are so confident is because we are sure now that we can eradicate it in India."

When the immunization program was first proposed, Indian officials demurred, citing a lack of resources, although the average cost of immunizing an Indian child is about 30 cents.

"The general response among Indian health officials to the success stories of similar campaigns elsewhere was, 'But this is India,' " Dr. Andrus said. But he added that success was fostering optimism. "What has been accomplished with the polio campaign has been a tremendous eye-opener."

The partnership that has made the Indian campaign possible has brought together hundreds of thousands of health workers and volunteers affiliated with WHO, Unicef and the U.S. Centers for Disease Control and Prevention. Financial support has also come from the governments of Japan and several European nations, including Britain, Denmark, Germany and Norway.

But much of the credit for the campaign, in India and elsewhere, goes to Rotary International, the Chicago-based network of clubs for business and professional people, which has raised more than $300 million to support polio eradication around the world. It has spent more than $30 million in India, a larger sum than the Indian government itself has spent on polio eradication over the decades.

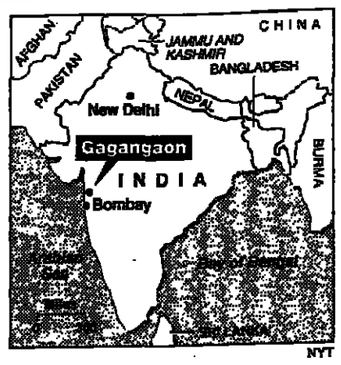
For the most recent immunization day in India, Rotary mobilized its 70,000 members here, and tens of thousands of other volunteers. Their many contributions included the vital one of helping maintain the "cold chain," the refrigeration essential to the vaccine's effectiveness.

Success has renewed hope that India may one day overcome other chronic health problems, including epidemic levels of diarrhea, malaria and tuberculosis, which kill tens of thousands every year.

"We in India have been slow, lethargic and inefficient in tackling our problems," said Raja Saboo, 62, a Punjabi industrialist who is chairman of the Rotary Foundation, Rotary International's charitable arm. "But polio immunization has shown one thing: that if you have a good cause, and a committed leadership, we can do it. We have the capacity to rise to the occasion."



John F. Burns/The New York Times



NYT

Hundreds of thousands of health workers have fanned out into India to vaccinate children. "We know now that the world is going to eradicate polio," a doctor said. "And one of the reasons we are so confident is because we are sure now that we can eradicate it in India."

Swiss Envoy Urged 'War' Over Claims

Jewish Leaders Assail Secret Document's Tone

Reuters

ZURICH — Switzerland's strained relations with Jewish organizations worsened Sunday with the publication of a confidential document in which Bern's envoy to Washington called for "waging war" against Jewish groups and other vocal critics.

Swiss Jewish leaders denounced the comments, which the weekly newspaper SonntagsZeitung said had come from a confidential strategy paper that Ambassador Carlo Jagmetti sent to Bern last month on how to handle a dispute over dormant accounts of Holocaust victims in Swiss banks.

"This is a war that Switzerland must wage and win on the foreign and domestic front," said the document, excerpts of which the paper printed. "You cannot trust most of the adversaries."

SonntagsZeitung said the "adversaries" to whom Mr. Jagmetti referred were Jewish groups and Senator Alfonse D'Amato, Republican of New York, who have accused the Swiss of profiting cynically from World War II and who are seeking compensation for Holocaust victims.

The document recommended that Switzerland agree to compensation to settle Jewish claims "because Jewish circles and Senator D'Amato must be satisfied quickly" so that "calm will return on all levels," the paper reported.

A Foreign Ministry spokesman declined to comment on the report.

Swiss Jews criticized the tone of the document.

"I was shocked to see the insensitivity with which this matter is being addressed," said Thomas Lyssy, vice-president of the Swiss Jewish Federation.

"When an ambassador in America speaks of 'war' and of 'domestic and foreign fronts' and of 'opponents who are not to be believed,' then this shows the significance of this matter is not being recognized."

The story broke a day after the biggest coalition party, the Social Democratic Party, called on Economics Minister Jean-Pascal Delamuraz to resign for accusing Jewish groups last month of "blackmail" for insisting Berne quickly compensate Jews for wartime suffering.

The editor of SonntagsZeitung, Ueli Haldimann, wrote in a commentary that Mr. Jagmetti's document had undermined Swiss efforts to build goodwill by announcing plans for government and big business to open a Holocaust memorial fund.

"This is oil on the fire for all those who contend Switzerland is not acting honestly," he wrote.

In Stockholm, meanwhile, the Foreign Ministry said Sunday that the government would set up a commission this week to investigate Nazi gold bought by Sweden during World War II.

The decision was made by Foreign Minister Lena Hjelm-Wallen following allegations that Sweden might have disposed of up to seven tons of gold from Germany, despite suspicions that about two-thirds of it may have been stolen.

■ Paris to Study Jewish Property

French Jews welcomed on Sunday the setting up of a panel to evaluate property seized from Jews during the Nazi occupation, saying it was a new example of France coming to terms with its wartime history, The Associated Press reported from Paris.

Prime Minister Alain Juppe announced the measure Saturday evening at a dinner of the Representative Council of Jewish Institutions, saying the panel would assess what might still be in possession of French or foreign public bodies.

He said France had a "national duty" to shed light on "this tragic period in our history." He promised a report from the commission by the end of the year. The announcement followed official reports calling into question the fate of real estate and art works owned by Jews who were deported from France during the war.

Air Safety Panel Ending With Tasks Unfinished

By Matthew L. Wald
New York Times Service

WASHINGTON — A White House commission established because of the crash of TWA Flight 800 will probably go out of existence without determining the feasibility of two significant security steps: matching passengers and bags on domestic flights, and determining which passengers are possible risks and warrant closer scrutiny.

The panel, the Commission on Aviation Safety and Security, will meet Monday and Tuesday to try to establish a consensus on safety and security recommendations. It had been scheduled to meet publicly, but the commissioners, some of whom have complained of being rushed by the staff provided by the White House, now plan to deliberate privately.

The group made preliminary recommendations in September but is to make a final report to President Bill Clinton Feb. 12.

"Bag match will continue to be a work in progress," said one commission official.

Under the commission's auspices, a contractor has gathered statistics on how many bags are typically checked by each passenger on domestic flights, in addition to statistics on how often a piece of luggage misses the passenger's flight and vice versa.

Bag matching assures that no checked bag will be put on a plane unless the passenger who checked it boards the same airliner.

The airlines say that requiring bag matching at busy hub airports would cause chaos. But members of the commission are divided about what decision to make given the lack of evidence. Some want to recommend full bag matching, and others are skeptical that bombs in checked bags are much of a threat to domestic aviation.

Bag matching is already required on international flights, but not domestic ones.

Brian Jenkins, a terrorism expert who has presided over some of the meetings, said the commission's task was to recommend a package of imperfect technologies and techniques, including bag matching, profiling of passengers and screening for explosives. Taken together, these would make putting a bomb on a plane more difficult.

"Some recommendations are going to be very precise and very complete," he said. "Some may say, 'Look, we know this is the right direction, we know this is the goal we want to get to, we have a sense of some options on how to get there, in terms of technology, financing, organization and so on, but we cannot in the time we have sort it all out.' "

When the commission was established, a few days after the Paris-bound Trans World Airlines flight exploded off Long Island last July 17, killing 230 people, it was presumed that the jetliner had been bombed. But investigators now say there is a conspicuous lack of evidence for that theory.

The commission is considering making recommendations on various issues besides security, including air traffic control equipment and aging jetliners.

Without the ability to make a strong recommendation on bag matching, the commission's strongest security recommendation may be on forming a profile of passengers to determine which ones should be scrutinized more carefully, a step that civil liberties advocates oppose.

Gregory T. Nojeim, a lawyer at the American Civil Liberties Union, said bag matching was a more effective first line of defense.

"If you have baggage match the only thing profiling is good for is suicide bombs," he said.

The commission faces decisions on other issues, including whether airline employees should have to submit to criminal background checks, a step that was on the list of preliminary recommendations in September, and how airmail could be screened for bombs.

Labour Appears to Back New Royal Yacht

Reuters

LONDON — A Labour Party official, retreating from a pledge not to spend tax money on a new royal yacht, said Sunday the £60 million ($100 million) ship could be "an asset" for Britain. The current yacht, Britannia, is to be decommissioned this year.

Vatican Unyielding On Women Priests

Agence France-Presse

VATICAN CITY — The Roman Catholic Church's ban on allowing women to be priests is forever, and the faithful who reject this line are de facto excommunicated, a senior cardinal has said here.

Cardinal Joseph Ratzinger, head of the Vatican's congregation for the doctrine of the faith, spoke at a presentation Friday of Catholic literature, specifically a collection of papal writings on the ordination of women.

Cardinal Ratzinger said that those who rejected the teaching of Pope John Paul II on this question were not heretics who risked formal excommunication after a trial.

But, he said "they support erroneous doctrine that is incompatible with faith," and as such excluded themselves from the communion of faith under canon law.

Rejection of women priests was an infallible teaching and was to be considered "for always, everywhere and by everyone part of the repository of Catholic faith," he said.

Bishop Angelo Scola, rector of the Vatican's Latteran University, stressed that the Pope had never said the Church would not accept the ordination of women, but that it could not and remain true to itself.

TRAVEL UPDATE

New Delhi Curbs Public Smoking

NEW DELHI (AP) — Smoking in movie theaters, buses, parks and other public places was banned in the federal capital as of Sunday, making New Delhi the first Indian city to crack down on smokers.

Lighting up in any form — be it cigarettes, cigars or pipes — is punishable by fines, New Delhi's health minister, Harsh Vardhan, told the Pioneer newspaper. Fines range from $3 — the price of three packs of cigarettes — for first time offenders to $15 for subsequent offenses. The anti-tobacco campaign has also banned cigarette advertisements throughout the city.

The Elizabeth, a 247-room stylish boutique hotel in Orchard Road, Singapore.

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Motorcycle Taxis Rolling in Paris

PARIS (Reuters) — A Paris taxi company is taking hurried business people on motorcycles to beat the French capital's crippling rush-hour traffic jams.

"There is no other way of being sure of getting to an appointment on time," Jean-Christophe Saliou, head of the SP2 taxi company, told TF1 television. The motorcycle drivers carry extra leather jackets and helmets for customers to don over business suits.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Australia, Monaco, New Zealand.
TUESDAY: Cuba.

Sources: J.P. Morgan, Reuters, Bloomberg.

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Correction

Because of a transcription error, the starting time of the National Football League's Super Bowl on Sunday in New Orleans was incorrect in the Saturday-Sunday editions.

Business Message Center
every Wednesday

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream — Unseasonably Cold — Unseasonably Mild — Heavy Rain — Heavy Snow

North America
Bitterly cold air in the northern tier of the United States will modify during midweek. However, the temperature will still be well below normal in the Canadian provinces of Ontario and eastern Manitoba. In contrast, tremendous warming will occur in western Canada.

Europe
Showers will dampen Italy into southeastern Europe Tuesday and Wednesday; otherwise, much of Europe will stay dry. The British Isles and northwestern Europe will be rather mild, while much of the rest of Europe remains close to normal.

Asia
Very cold air will settle over eastern Mongolia, northeastern China, Manchuria and both Koreas Tuesday through Thursday. Japan will turn colder Wednesday and Thursday, after near-to just above-normal temperatures Tuesday. Seasonable and mainly rain-free in Hong Kong and Singapore.

Europe

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Algarve	17/62	9/48 pc	16/61	9/48 pc
Amsterdam	4/39	1/34 pc	4/39	3/37 pc
Ankara	-4/25	-12/11 pc	1/34	-8/18 pc
Athens	9/48	2/35 s	10/50	4/39 pc
Barcelona	10/50	6/43 sh	9/48	3/37 r
Belgrade	4/39	-2/29 s	5/41	-3/27 sh
Berlin	3/37	-2/29 pc	2/35	-1/31 pc
Brussels	3/37	0/32 pc	4/39	2/35 pc
Budapest	1/34	-4/25 s	2/35	-4/25 pc
Copenhagen	4/39	0/32 s	2/35	1/34 pc
Costa Del Sol	17/62	8/46 pc	16/61	7/44 pc
Dublin	8/46	3/37 c	7/44	6/41 pc
Edinburgh	6/43	2/35 pc	6/43	3/37 pc
Florence	6/43	4/39 sh	8/46	4/39 sh
Frankfurt	3/37	-3/27 pc	1/34	-3/27 pc
Geneva	4/39	0/32 sn	3/37	-1/31 sn
Helsinki	2/35	-7/20 c	-6/23	-12/11 pc
Istanbul	5/41	0/32 pc	6/43	2/35 s
Las Palmas	25/77	19/66 c	24/75	18/64 pc
Lisbon	13/55	8/46 pc	13/55	7/44 pc
London	7/44	2/35 pc	6/43	3/37 pc
Madrid	12/53	3/37 sh	11/52	-2/29 c
Mallorca	8/46	6/43 sh	7/44	4/39 r
Milan	2/37	2/35 sn	6/43	0/32 sh
Moscow	-8/22	-9/18 c	-4/25	-7/20 sn
Munich	6/43	-1/31 c	4/39	-3/27 c
Nice	9/48	7/44 sh	10/50	6/43 r
Oslo	-1/31	-7/20 pc	0/32	-1/31 c
Paris	6/43	0/32 pc	1/34	-2/29 pc
Prague	3/37	-3/27 pc	2/35	-4/25 pc
Reykjavik	1/34	-5/23 sn	6/43	1/34 c
Rome	12/53	7/44 r	13/55	4/39 sh
St. Petersburg	2/35	-3/27 c	-1/31	-13/9 sn
Stockholm	4/39	-5/22 c	-4/25	-5/24 pc
Strasbourg	3/37	-3/27 c	2/35	0/32 c
Tallinn	2/35	-6/22 c	-9/22	-12/11 pc
Venice	6/43	2/35 c	8/46	2/35 sh
Vienna	3/37	-3/27 pc	5/41	-2/29 pc
Warsaw	3/37	-4/25 s	-1/31	-7/20 c
Zurich	4/39	0/32 sh	3/37	-1/31 c

Middle East

Abu Dhabi	23/71	9/48 s	23/73	11/52 s
Beirut	13/55	5/41 pc	13/55	6/43 s
Cairo	17/62	6/43 pc	18/64	8/43 pc
Damascus	10/50	2/35 c	11/52	-1/31 s
Jerusalem	10/50	2/35 c	11/52	1/34 s
Luxor	25/77	8/43 s	26/77	6/43 s
Riyadh	23/71	8/48 s	24/75	11/52 s

Asia

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Bali	32/89	24/75 t	33/91	24/75 pc
Bangkok	31/88	21/70 pc	29/84	19/66 pc
Beijing	4/39	-9/15 s	1/34	-9/15 s
Bombay	31/88	19/61 s	31/88	19/61 s
Calcutta	24/75	11/52 s	26/79	12/53 s
Chiang Mai	31/88	18/64 pc	30/86	17/62 pc
Colombo	29/84	19/66 pc	28/84	21/70 s
Hanoi	21/70	13/55 pc	18/64	11/52 s
Ho Chi Minh	33/91	21/70 pc	32/89	21/70 pc
Hong Kong	18/64	11/52 pc	17/62	10/50 s
Islamabad	12/53	4/39 r	19/66	7/44 pc
Jakarta	30/86	23/73 pc	30/86	23/73 pc
Karachi	19/66	6/43 s	22/71	9/48 s
K. Lumpur	32/89	21/70 pc	31/88	23/71 pc
K. Kinabalu	30/86	24/75 s	32/89	24/75 pc
Manila	30/86	21/70 pc	29/84	20/68 pc
New Delhi	20/68	6/43 pc	23/73	7/44 s
Phnom Penh	31/88	20/68 pc	28/84	21/70 pc
Phuket	31/88	21/70 pc	29/84	19/66 pc
Rangoon	31/88	20/68 pc	29/84	18/64 pc
Seoul	5/41	-5/24 pc	-1/31	-13/9 c
Shanghai	10/50	-2/29 s	6/43	-3/29 s
Singapore	31/88	25/77 s	32/89	24/75 pc
Taipei	17/62	11/52 c	19/66	9/48 pc
Tokyo	10/50	0/32 s	11/52	2/35 pc
Vientiane	19/66	13/55 pc	18/64	12/53 c

North America

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Anchorage	-9/16	-17/2 pc	-9/16	-12/11 c
Atlanta	14/57	6/46 pc	15/61	6/43 c
Boston	-2/29	-3/27 sn	2/35	-6/24 c
Chicago	-2/29	-6/16 sn	0/32	-6/22 pc
Dallas	19/66	6/43 c	16/61	5/41 pc
Denver	4/39	-4/25 pc	14/57	-1/31 s
Detroit	0/32	-6/22 sf	1/34	-6/22 pc
Honolulu	28/82	22/71 pc	29/84	20/68 pc
Houston	23/71	14/57 pc	19/66	8/46 sh
Los Angeles	20/68	8/48 pc	24/75	9/48 pc
Miami	28/79	20/68 s	27/80	19/66 pc
Minneapolis	-13/9	-21/-5 pc	-9/27	-12/11 pc
Montreal	-13/9	-13/9 sf	-9/22	-19/-1 sn
Nassau	28/79	18/64 pc	28/79	17/62 pc
New York	2/35	0/32 sn	6/43	-0/29 pc
Orlando	29/79	18/61 pc	28/79	15/59 pc
Phoenix	20/68	8/46 s	24/75	11/52 s
San Fran.	13/56	6/46 c	18/61	9/48 pc
Seattle	6/43	2/35 r	11/52	7/44 sh
Toronto	-5/24	-8/22 sn	-3/27	-9/18 pc
Vancouver	9/43	5/41 r	12/53	8/46 pc
Washington	3/37	2/35 sn	10/50	-1/31 pc

Africa

Algiers	14/57	6/43 sh	14/57	6/43 sh
Cape Town	24/75	14/57 s	26/79	15/61 s
Casablanca	19/66	10/50 pc	21/70	10/50 pc
Harare	28/82	12/53 pc	28/82	11/52 pc
Lagos	31/88	23/73 s	30/86	22/71 pc
Nairobi	31/88	12/53 s	32/89	13/55 s
Tunis	12/53	6/46 r	12/53	6/43 sh

Latin America

Buenos Aires	31/88	19/66 pc	32/89	22/71 s
Caracas	29/84	22/71 pc	29/84	23/71 pc
Lima	26/79	21/70 c	27/80	21/70 pc
Mexico City	22/71	4/39 pc	19/66	6/41 pc
Rio de Janeiro	30/86	25/77 c	27/80	22/71 sh
Santiago	27/80	12/53 sh	25/77	9/48 pc

Oceania

Auckland	22/71	12/53 s	22/71	12/53 s
Sydney	25/77	20/68 sh	26/79	19/66 c

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

An Unrepentant Gingrich Blames Lawyer and Press

By Eric Pianin
Washington Post Service

MARIETTA, Georgia — Speaking out for the first time since the House punished him, an unrepentant Newt Gingrich has dismissed his ethics violations as minor stuff by Washington standards and sought to blame others for his problems.

The speaker of the House was more combative than apologetic Saturday during appearances at three town meetings in his suburban Atlanta district. After a week in Washington that he described as "very, very painful," Mr. Gingrich received a hero's welcome from thousands of supporters.

He blamed his former lawyer for the submission of misleading documents to the House ethics committee. He asserted that the Atlanta Constitution's editorial page and other liberal news organizations had intentionally distorted the findings against him. And he criticized a Washington establishment that was quick to punish a conservative leader while allowing liberal Democrats to commit far worse infractions.

"Somehow on the left," said Mr. Gingrich, a Republican representative from Georgia, during a morning session at the City Hall in nearby Roswell, "you can do anything you want, and nobody seems to notice."

"But if you are a conservative and you want to follow the law and you hire lawyers and you do what you can — if you make a single mistake, you better plan to be pilloried because you're politically incorrect."

[Senator John McCain, Republican of Arizona, said Sunday that Mr. Gingrich was prolonging the issue by blaming his punishment on others, The Associated Press reported.

["I understand why Newt would go down and try to shore up support in his own district," Mr. McCain said, adding: "I think that he probably may have contributed to the debate and extended it rather than shortened it."]

Last month, Mr. Gingrich admitted that he brought discredit to the House and broke its rules by failing to ensure that financing for two projects would not violate federal tax law and by giving the House ethics committee false information. On Tuesday, the House voted, 395 to 28, to reprimand Mr. Gingrich and required him to pay a $300,000 penalty. It was the first time in the chamber's 208-year-history it has disciplined a speaker.

On Saturday, Mr. Gingrich said he "trusted" the law firm that first represented him "to have done the job right."

"They didn't do the job right," he said, "and I didn't catch them. So I thought the most honorable thing to do when you have done something wrong, is to say, 'This was a mistake.'"

Jan Baran, the Washington lawyer who first represented Mr. Gingrich when questions arose about his tax-deductible charitable contributions to finance a college course he taught to advance the Republican Party agenda and election prospects, has said Mr. Gingrich had thoroughly reviewed the documents submitted to the ethics panel.

Mr. Baran also said he had made sure the speaker was "comfortable" with their contents.

On Saturday, Mr. Gingrich suggested he had been so busy with his duties as speaker shortly after the Republican takeover of Congress in 1995 that he had not devoted as much attention to the document submission as he should have.

"There was no suggestion of intent to deceive," Mr. Gingrich said. "A mistake had been made."

Several members of the ethics committee, both Democrats and Republicans, said they were uncomfortable with that explanation, especially after they asked Mr. Gingrich a second time about the accuracy of some of his submissions and he reaffirmed them.

Mr. Gingrich also denied that he had been "fined" by the House, saying that he agreed to pay the $300,000 to cover the added expense to the ethics committee of dealing with the factual errors in his submissions. He said if the panel, a "nonjudicial system," had tried to fine him, he would have fought it because it would have set "a precedent of enormous danger."

AMERICAN TOPICS

Rare Look at Internment Camp

In 1943, Dave Tatsuno made the movies so no one would forget. For the Library of Congress, his amateur footage from inside a Japanese-American internment camp is now a rare cultural and historical artifact.

Mr. Tatsuno's 8mm film documenting life in a desolate Utah camp has been placed on the National Film Registry, just the second home movie to be added to the list, reports the San Jose Mercury News. The other is Abraham Zapruder's footage of the assassination of President John F. Kennedy in Dallas.

"Topaz," as Tatsuno's film is titled, captures the spirit of the Japanese-Americans as they try to recreate their community in bleak desert surroundings. Mr. Tatsuno was one of 110,000 Japanese and Japanese-Americans who were forced to leave their homes on the West Coast and live in camps.

Mr. Tatsuno, who was sent in 1942 to the Topaz War Relocation Authority center, surreptitiously used a small camera given him by a friendly camp official to shoot the activities of the camp's 8,000 internees. His 75 minutes of film is now housed at the Japanese American National Museum in Los Angeles, which sells a tape made from the film.

Mr. Tatsuno, now 83, is modest about his role in history, but happy to have helped provide proof for younger generations ignorant of the camps. "A lot of people don't know they happened," he said.

Short Takes

A nonprofit group put 24 yellow bicycles on the streets of Austin, Texas, when it joined a short list of cities that offer free transportation for those willing to pedal. The bikes are available for anyone to ride anywhere, but must — this is the theory — be left in the open, unlocked, so someone else can use them. Community bike programs, which started in Europe, can now be found Portland, Oregon; Madison, Wisconsin; Charleston, South Carolina; Missoula, Montana; St. Paul, Minnesota; Orlando, Florida, and Denver and Boulder in Colorado. Boulder spent $20,000 to make 120 green bikes available to the public. A few months later, only about 40 were still on the streets, but organizers called the program a success. Much the same fate befell bikes in Amsterdam, a pioneer of free biking.

Pollution levels are down at more than 100 sites along U.S. coasts, according to a federal program that monitors contaminants in mussels and oysters. The continuing declines in trace elements like arsenic, mercury and lead are largely attributed to legal restrictions on the poisons' use and discharge.

A homing device that has been used to catch car thieves is now keeping police officers on their toes in Hialeah, Florida. The computerized device, which can easily be hidden in a car or truck, is helping dispatchers monitor whether officers are sleeping on the job, spending too much time at the track or failing to answer calls, The Miami Herald reports. A spokesman for the main police union conceded that the city was within its rights in using the tracking device. But morale among officers, he added, is not being helped.

International Herald Tribune

New York AIDS Deaths Fall

Advances in Therapy and Access to Care Explain Drop

By Lawrence K. Altman
New York Times Service

WASHINGTON — For the first time since the AIDS epidemic was recognized in 1981, deaths from the disease in New York City dropped sharply last year, declining by 30 percent, according to a city Health Department official.

Speaking at a scientific meeting here, Dr. Mary Ann Chiasson, assistant commissioner for disease intervention research, said that the number of people who died from the disease fell to 4,944 in 1996 from 7,046 in 1995, and that the decline occurred in all ethnic groups and in both sexes. For unknown reasons, the drop was greater among men than women.

Dr. Chiasson said that she could not give a conclusive reason for the decline, but that the most likely explanations were advances in therapy introduced in the early 1990s and expanded access to medical care and services made possible by a surge in government money in 1994.

"It's great news, and we haven't had a lot of that in the AIDS epidemic," Dr. Harold Jaffe, an AIDS expert at the federal Centers for Disease Control and Prevention in Atlanta, said at a news conference on the New York City report.

Dr. Lars Kallings of Stockholm, a leader in international AIDS research, said "the data were very impressive and will have global importance because widespread publicity has focused attention on New York City's epidemic."

He said that because so many AIDS cases in New York were among the poor, the new statistics would offer hope to poor nations with intractable AIDS problems.

But it was unclear whether the decline in New York City is also occurring elsewhere in the nation, since full statistics have not yet been compiled for 1996. In telephone interviews, officials at the San Francisco Health Department said AIDS deaths reported in 1996 rose to 1,517 from 1,443 the previous year. The Los Angeles County Department of Health Services said there was a 23.3 percent drop in that area, to 2,084 in 1996 from 2,718 in 1995.

But those data have not been thoroughly analyzed, and the San Francisco and Los Angeles figures for 1996 include deaths that had occurred in earlier years and whose reporting was delayed.

The decline in New York City followed a leveling in the number of deaths there in 1994 and 1995, paralleling the national statistics.

But while deaths are declining, the rate of new AIDS cases in the city has not changed significantly, officials say.

Dr. Chiasson said she thought that a major factor in the decline was widespread use of the growing number of drugs introduced since the early 1990s to combat HIV, the AIDS virus, and the many so-called opportunistic infections that occur as complications of AIDS.

Such therapies are helping AIDS patients live longer, Dr. Chiasson said, with the median survival time following diagnosis having increased to 19 months from 13 months.

She said that a second probable cause for the decline was the strong and sustained rise in government spending on care for AIDS patients that began in fiscal 1994.

POLITICAL NOTES

Clinton Targets Food-Borne Ills

WASHINGTON — President Bill Clinton's 1998 budget will propose spending $43 million for a program to detect outbreaks of food-borne illnesses before they become widespread and to improve food safety.

The plan, outlined by the president in a weekend radio address, is the government's first attempt at early detection and prevention of such outbreaks. Last year, it is estimated, from 6.5 million to 33 million Americans became ill from food-borne diseases, and 9,000 died.

"We must continue to modernize the food-safety system put in place at the dawn of the 20th century," Mr. Clinton said. *(NYT)*

Gephardt Cool to Medicare Cut

WASHINGTON — President Clinton's Medicare plan ran into more trouble in Congress as the Democratic leader of the House, Richard Gephardt, distanced himself from the proposal, saying its projected $138 billion cut in spending over six years "sounds high to me."

Mr. Gephardt, of Missouri, said he would reserve further judgment until he saw details. But he made it clear he would oppose anything that appeared to him as a threat to the program, which provides health care to 38 million senior citizens. *(WP)*

Anti-Perot Faction Walks Out

NASHVILLE, Tennessee — Members of a breakaway faction of the Reform Party walked out of a national meeting, charging that a party leader's election was a power play by Ross Perot.

To the jeers and clapping of 200 people, about 40 people left the meeting, which was preparing for the third party's convention.

Those who left Saturday were upset with a vote that installed Russ Verney, coordinator of Mr. Perot's 1996 presidential bid, as chairman of an organizational committee. *(AP)*

Quote/Unquote

Charles Lewis, director of the Center for Public Integrity, a group that is seeking changes in laws on lobbyists and campaign funding: "Only certain people get to hang out with public officials. Most citizens don't even get to meet their congressman, and these guys can sit in a duck blind with them for eight hours." *(NYT)*

Away From Politics

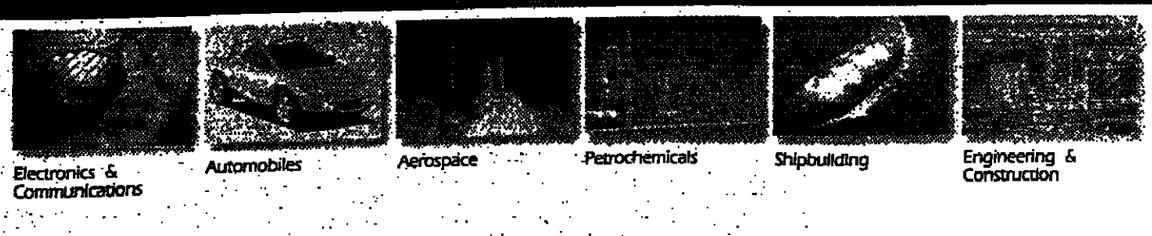
- **The navy said it had shot down a missile** with another missile at 40,000 feet over the White Sands range in New Mexico in a test of an infrared targeting system to protect against missile attack. *(Reuters)*
- **The first male West Point cadet to be charged with raping a female cadet,** James Engelbrecht, 22, of Conroe, Texas, was acquitted by seven male officers of sexually assaulting the woman after a night of drinking at an off-campus party. *(AP)*
- **Thousands were without electricity** after tornadoes ripped through central Tennessee and part of Alabama, killing one person and destroying or damaging more than 200 homes and businesses. *(AP)*

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Pro-Beijing Panel Elects Its Leader

Hong Kong Shadow Legislature Convenes in Southern China

By Keith B. Richburg
Washington Post Service

HONG KONG — Behind closed doors and under heavy security, Beijing's shadow legislature for Hong Kong has gathered for the first time in a luxury guest house across the border in southern China and elected a pro-China politician as its leader.

Rita Fan, a former legislator and one-time adviser to British governors of Hong Kong, was elected president Saturday of the provisional legislature, the body Beijing created last month to replace Hong Kong's democratically elected legislature, which will be disbanded once China assumes control here July 1.

The panel was forced to meet in Shenzhen to remain outside the reach of Hong Kong law.

Democracy groups have called the body illegal and threatened to take it to court if its members try to gather in Hong Kong.

The meeting was closed to the public, and journalists watched the proceedings on closed-circuit television.

Chris Patten, the British governor of Hong Kong, assailed the gathering.

"This was a bad day for Hong Kong," he said. "The organization that met over the border in Shenzhen has no legitimacy, no credibility and no authority in Hong Kong."

Earlier, he called the shadow legislature "a rather exotic debating society that meets on occasional Saturday mornings."

The Hong Kong government has refused to have anything to do with the panel.

[About 300 activists marched peacefully in Hong Kong on Sunday to protest the shadow legislature, Reuters reported.]

The body will be primarily responsible for enacting Beijing-backed recommendations to curtail Hong Kong's civil rights law, stripping the bill of rights of its teeth, enhancing police powers to ban protests and strictly limiting local groups' ability to raise funds abroad.

It also will rewrite election laws that in 1995 produced the most democratic legislature in 150 years of British colonial rule.

Britain, the United States and local democracy groups have denounced the proposed changes as a threat to Hong Kong's freedoms and way of life.

But China's handpicked chief executive for the territory, Tung Chee-hwa, has endorsed the changes, saying freedom must be balanced with responsibility.

The 60-member shadow legislature chose Miss Fan over Andrew Wong, who also heads the current, elected legislature. She won with 33 votes to Mr. Wong's 27.

Zhou Nan, head of the Xinhua press agency and Beijing's top-ranking official in Hong Kong, hailed the body's first gathering.

"Now Hong Kong has the chance to create for itself a truly representative form of government," he said.

The Shenzhen meeting came one day after Mr. Tung named his top team of advisers, largely a conservative group of local business leaders and well-known faces from the pro-Beijing camp.

Mr. Tung retained two of Mr. Patten's advisers.

Also in China, Xi Yang, 40, a former reporter for the Hong Kong newspaper Ming Pao, was released from prison after serving three years of a 12-year prison term for stealing state secrets. There was no explanation why he was paroled except for a Xinhua statement that he had shown "signs of repentance."

Mr. Patten said he was delighted about the release.

"His case has caused great anxiety and concern to his family, his colleagues and the whole community," the governor said. "His release is very good news for Hong Kong."



Agence France-Presse

HONG KONG BLAZE — Revelers escaping a karaoke lounge in the Tsim Sha Tsui district of Hong Kong amid a fire that killed 15 people. The police said Sunday that the case was being treated as arson.

China Dictates How to Report

6-Page Directive Details What Journalists Can Cover

Reuters

BEIJING — China issued directives Sunday on how news stories should be written, ordering journalists not to advocate sex, violence and superstition and to fill their reports with patriotism and socialism.

The guidelines come amid an ongoing crackdown on ideas that differ from party precepts.

Quoting President Jiang Zemin's description of reporters as "engineers of the human soul," the All China Journalists' Association issued a communiqué to reporters to submit to the "supervision of the party and the people".

The association set up a hot line for the public to report journalists who break the new rules.

To ensure reporters were familiar with what they should and should not do, the China News Workers' Association issued a detailed six-part directive via the news agency.

At the top of the list was: "Wholeheartedly to serve the people."

To achieve this goal, the directive urged reporters to fulfill their supervisory role by "bravely criticizing and exposing erroneous words and actions and corrupt phenomena that harm the people's interests."

Mr. Zemin, who is also the head of the Communist Party, has personally mounted a drive to stamp out corruption, a plague he has warned could topple the party, and has used propaganda to back his cause.

However, the new directive also specifies events from which reporters should steer clear and the tone in which they should cover topics that are acceptable.

The new directive apparently does not apply to Hong Kong, where laws remain separate from those of the mainland even after the return of sovereignty to China in July.

Labor Leader In Seoul Vows To Speed Up All-Out Strike

Reuters

SEOUL — The leader of South Korea's unrecognized labor confederation, addressing the largest protest rally yet against a new labor law, vowed Sunday to advance the date of new strikes if the law was not scrapped.

"If our demands are not met, we warn we will launch an all-out stoppage originally planned for Feb. 18 earlier than that," Kwon Young Kil told a crowd in Seoul that organizers estimated at 200,000. The police put the number of protesters at 55,000.

It was Mr. Kwon's first public appearance since he emerged from sanctuary at a Roman Catholic cathedral with six union deputies Friday after the authorities lifted threats to arrest them for organizing almost four weeks of strikes.

President Kim Young Sam, bowing to domestic pressure and international criticism, agreed last week to send the law back to Parliament for revision. But he insisted it would not be voided.

The unrecognized Korean Confederation of Trade Unions is maintaining its pressure on the government with one day of strikes each week, on Wednesdays.

The demonstration Sunday in Seoul's financial center was organized by the confederation and the officially sanctioned Federation of Korean Trade Unions. A squad of workers carried red poles with billowing red banners — traditional at Korean funerals — bearing the words "Democracy is Dead."

"Our cause is for freedom not only for 12 million workers but for all of South Korea's 40 million people," Mr. Kwon said.

He accused the government of squandering money lent to Hanbo Steel Corp., the country's second largest steel maker, which collapsed from debt last week, instead of supporting embattled small enterprises.

The law that set off the strikes makes it easier for companies to lay off workers and replace strikers. It also maintains a ban on Mr. Kwon's labor confederation into the next century. Mr. Kim has indicated he believes the ban should be lifted, but it is not clear how far he is prepared to compromise on other issues.

On Saturday, a confederation official said the fight against the law would go on. Chung Sung Hee said, "Our struggle will continue until the vicious law is made void and a new law is in place."

The main opposition party, National Congress for New Politics, meanwhile, said it was prepared to debate the law in Parliament if the government apologized for its secret passage on Dec. 26.



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BRIEFLY

Taleban Reports Gains Against Foes in the North

GULBAHAR, Afghanistan — The Taleban militia said Sunday that it had pushed toward the opposition-held Panjshir Valley north of Kabul, from the strategic Gulbahar district, and had told civilians to leave Gulbahar.

The Islamic militia had captured three villages and large quantities of weapons from the forces of the deposed government of President Burhanuddin Rabbani in an offensive that began in the morning, Taleban's Voice of Sharia radio said. The report said many opposition fighters had been killed.

A Taleban commander and civilians said earlier that the militia was continuing to expel civilians from the Gulbahar district to prevent any uprising. "We have told people to leave the area because they pass on military information to our opposition, and to prevent any kind of revolt against our Taleban brothers," said Mir Ahmad, the militia's front-line commander. *(Reuters)*

China Again Warns Taipei

BEIJING — A top Communist Party official has said that any effort by Taiwan to disrupt China's sovereignty and territorial integrity are "doomed," the official Xinhua press agency reported Sunday.

Wang Zhaoguo, head of the United Front Work Department of the party's Central Committee, said, "The Chinese people will absolutely not sit idly by and remain indifferent to the separatist activities carried out by some personalities of the Taiwan authorities who oppose the 'One China' policy.

On Friday, Foreign Minister Qian Qichen said that China was confident that it had gained the upper hand in efforts to stop Taiwan from raising its international profile.

"The present international and domestic situation is conducive to the curbing of Taiwan authorities' splitting activities," Mr. Qian was quoted as saying by Xinhua. *(AFP)*

Peaceful Day in Kashmir

NEW DELHI — India's main national celebration, Republic Day, passed mostly peacefully Sunday in the troubled state of Kashmir for the first time in seven years, despite a string of explosions after parades ended.

For the first time since a rebellion broke out in the state in 1989, Muslim rebels did not disrupt Republic Day celebrations in Srinagar or Jammu.

In New Delhi, India showed off its military might, displaying a pilotless plane and a surface-to-surface missile. The United States has asked India not to deploy the missile, the Prithvi, saying it could possibly start an arms race in South Asia. *(AFP)*

Japan Flu Toll at 249

TOKYO — An influenza virus sweeping through homes for the elderly in Japan has killed 249 people in the last month, a newspaper reported Sunday.

The virus has ravaged nursing homes and other welfare facilities throughout the country since late December, according to a survey conducted by Yomiuri Shimbun.

The deaths were concentrated in the northeast, particularly Aomori, Iwate, Akita and Miyagi prefectures. The virus has also appeared in 13 prefectures in the southwest, but no deaths have been reported, the paper said.

The Hong Kong A flu strain was recently joined by the type B virus, which is considered less contagious and carries lighter symptoms than type A, health officials said.

The flu is commonly followed by pneumonia in the elderly, who are more prone to infections, and the health authorities warned welfare facilities to watch for early flu signs among those in their care.

The seasonal increase in flu cases in late December was the highest on record, health officials said. The last flu epidemic, in 1994-95, claimed 1,244 lives nationwide, mostly among the elderly, according to the Health Ministry. *(Reuters)*

Japan Is Sorry For Remark On Sex Slaves

The Associated Press

BEPPU, Japan — Japan's prime minister has apologized to South Korea's president for a top aide's suggestion that many Korean women became sex slaves during World War II for the money and that the Japanese military's use of the women was justified by the mores of the times.

The comments Friday by Seiroku Kajiyama, Japan's chief government spokesman, were made the day before a Japan-South Korea summit meeting intended to improve often edgy relations between the two countries.

Prime Minister Ryutaro Hashimoto said at a news conference that he had told President Kim Young Sam, "I am sorry if this remark caused you displeasure."

Mr. Kim said it was "regrettable" that Japanese politicians have continually made remarks defending Japan's colonization of Korea from 1910 to 1945 and its actions during World War II.

"Some Japanese politicians are often saying things that baffle the understanding of the Korean people," Mr. Kim said at the same news conference.

Perhaps 200,000 women from Asian countries were forced into sexual slavery by the Japanese military during the war. Tokyo long insisted that the women had been privately recruited, but admitted three years ago that the government had been involved.

Mr. Kajiyama was quoted by Japanese news media as saying that the Asian women sent to front-line brothels were simply trying to make money and were no different from Japanese prostitutes who were operating legally in Japan at the time.

"Many of them went for the money," Mr. Kajiyama said. "When they went to the front, they got extra money for being at the front."

The prime minister repeated Japan's apologies over the issue, and said he hoped that the women involved would accept $17,000 payments being offered to each one by a private Japanese fund.

Most Korean victims have refused the money, saying they wanted direct compensation from the Japanese government. Seven Korean women accepted the money earlier this month, prompting a protest by Mr. Kim.

Mr. Kim arrived Saturday in Beppu, a hot springs resort city on Japan's southern island of Kyushu. He returned home Sunday after having breakfast with Mr. Hashimoto.

They agreed to cooperate in persuading North Korea to join four-way talks on the future of the Korean Peninsula. The talks would include the two Koreas, the United States and China.

EUROPE

Czechs Suddenly Appreciate Their Moral Arbiter

By William Drozdiak
Washington Post Service

PRAGUE — When President Vaclav Havel entered the hospital last month for the removal of a malignant tumor from his lung, mortality seemed to be the last thing on his mind. He toasted his nurses with a round of schnapps — then smoked a celebratory cigarette with the health minister.

It was the kind of outrageous behavior typical of the former dissident playwright who has always displayed a taste for the absurd. But his countrymen did not treat his illness as a joke.

After years of taking him for granted, even agnostic Czechs have been crowding churches in recent weeks to pray for Mr. Havel's recovery as they awaken to the realization that his passing could leave a large void in the leadership of their fledgling democracy.

"His influence is enormous, but it is not easy to define," said Michael Zantovsky, a close friend of the president's who is winding up his tour as ambassador to the United States. "His brush with death has scared many people because they suddenly realized how valuable he is as a moral arbiter for our society."

A staunch opponent of communism who spent years in prison for his beliefs, Mr. Havel was swept into the presidency of a democratic Czechoslovakia in the aftermath of the 1989 Velvet Revolution that blew away the Soviet-installed regime.

He resigned three years later because he did not concur with the division of the country into separate Czech and Slovak republics. But within months, Parliament elected him to a five-year term as president of the Czech Republic.

Since then, he has served as the conscience of his country in its difficult transition from decades of communist rule. He has vigilantly supported laws that ban former ranking members of the Communist Party as well as the secret police and their collaborators from holding government positions until 2000.

But Mr. Havel also has preached that the country must not be held hostage to its past. Soon after getting out of the hospital last month, he countered explosive charges that the nation's domestic intelligence agency was spying on politicians and insisted that the police must not be unfairly targeted as agents of repression.

Mr. Havel seems to have acquired even greater importance abroad than at home, as NATO prepares to expand and Europe moves toward the creation of a single continental currency.

With the Czech Republic primed to join the Western military alliance and the European Union, Mr. Havel has argued eloquently that Europe must seize the moment to integrate its eastern and western regions.

Chancellor Helmut Kohl of Germany, after signing a reconciliation treaty with the Czechs last week, paid tribute to Mr. Havel's moral vision as a quality sorely lacking among world leaders today.

He praised Mr. Havel as "a true friend" and said the accord — in which Germany expressed contrition for the Nazi occupation while the Czechs apologized for the expulsion of Sudeten Germans after World War II — could not have been achieved without Mr. Havel's determination to banish all notions of collective guilt.

In a speech last year in Aachen, Germany, Mr. Havel warned that too many of Europe's leaders had forgotten the historical imperative behind the drive toward European unity, which he described as a vital mission "to give new meaning to Europe's very existence so that it can rediscover its conscience and its responsibility in the world."

"Europe can become the model for how different peoples work together in peace without sacrificing any of their identity," he continued. "The point is not to suppress national consciousness, which is one of the dimensions of human identity, but rather to free human beings from the bondage of ethnic collectivism — that source of all strife and enslaver of human individuality."

Mr. Havel also warned Western leaders that any delay in embracing the new democracies in Central and Eastern Europe would be a mistake that would be regarded by historians as a monumental display of political cowardice.

"Just as one half of a room cannot remain forever warm while the other half is cold," he said, "it is equally unthinkable that two different Europes could forever live side by side without detriment to both. And the more stable and prosperous one would pay the higher price."

As a political figure at home, Mr. Havel has gradually been eclipsed in recent years by Prime Minister Vaclav Klaus, whose Draconian free-market program has required painful sacrifices, but has helped to restructure the economy and place it on a sounder footing than other once communist countries.

The two men have philosophical differences, which friends say may be rooted in the paths they pursued during the communist era. While Mr. Havel founded Charter 77 and openly challenged the authorities at personal risk, Mr. Klaus served as a loyal bureaucrat with the national bank.

'Public Enemy No. 1' Runs, Hard, for Chechens' Votes

By Lee Hockstader
Washington Post Service

TOLSTOY-YURT, Russia — The candidate was impeccable, his beard neatly trimmed, his tie notched tight at his throat, a handsome hat of black mink on his head. Campaigning on the steps of the tiny town hall here, he wore a charcoal gray coat and spoke soothingly of stability, order and justice.

"If someone wants to shoot off his weapon, if he can't live without this, he can go to a firing range and do it there," he said gravely, looking every inch the statesman.

But the candidate, a leading contender for president of Chechnya, was not exactly what he seemed. In Russia he is known as Public Enemy No. 1.

The candidate is Shamil Basayev, 32, a confessed airplane hijacker who two summers ago led one of the more spectacular hostage-takings of the 20th century — a raid on a sleepy southern Russian town that left more than 100 civilians dead.

For this he became a camouflage-clad folk hero in separatist Chechnya, a status he hopes to parlay into the presidency when Chechens vote Monday for the first time since they mauled the Russian Army last summer and ended a brutal 21-month war.

Mr. Basayev has stiff competition; another separatist leader, the former Chechen military chief Aslan Maskhadov, is thought to have the edge. But all the main contenders agree on one thing: effectively, Chechnya is already independent, whether Moscow likes it or not.

That has caused much handwringing in the Kremlin, which, fearing further dismemberment of the federation, refuses to recognize Chechen independence even though all signs of Russia's authority there — police, army, government, courts — have been wiped away.

The Russian government's displeasure has shown itself variously in recent weeks. Foreign Minister Yevgeni Primakov has groused that international funding for Chechnya's elections is somehow improper. The deputy security chief, Boris Berezovsky, has somewhat bizarrely threatened to arm southern Russian Cossacks, the Chechens' historical enemies.

Cooler heads in Moscow say the results of the poll in Chechnya will be recognized. But in private there is much worry, especially at the chance of a Basayev victory.

Like Mr. Basayev himself, whose elegant attire belies a temper so hot that he explodes and stomps out of interviews when questioners displease him, Chechnya's transformation since peace came in August is partial.

Bearded men draped with weapons and camouflage stroll the streets of the capital city of Grozny and smaller towns. Thousands are homeless or orphaned, and health standards are atrocious. Grozny's sprawling landscape of destruction is on a par with the atomic aftermath of Hiroshima and Nagasaki.



Viktor Drachev/Agence France-Presse

As one Chechen woman in Novye Atagi held an election poster Sunday of Aslan Maskhadov, another kissed the image.

But since the last Russian troops left around Christmas, Grozny is no longer a shooting gallery at night. Residents can sleep at night without worrying about whether the roof will be intact in the morning.

There is even optimism that Chechnya's elections may take place without violence.

Yet independent or not, Chechnya remains a place of menace. One prominent politician, the former speaker of the Russian Parliament Ruslan Khasbulatov, decided not to run after his brother was kidnapped, presumably by his political opponents, observers say. About 50 people are being held for ransom.

The cold-blooded killing of six foreign Red Cross workers in a central Chechen village last month was the most appalling crime directed against foreigners, but by no means the only one. Threats and kidnappings have been relatively common. Two television journalists from Moscow were kidnapped in mid-campaign, prompting the Chechen authorities to assign armed guards to protect TV news crews.

More than 100 election observers arriving for the first-round voting Monday will also be under guard from the moment they land in Grozny to the moment they leave. About 3,000 heavily armed men will be deployed by the Chechen authorities to guard against attempts to disrupt the polls. It will all be repeated in a second round of elections Feb. 10 if none of the 16 presidential candidates clears 50 percent Monday.

BRIEFLY

Patriarch in Belgrade Protest

BELGRADE — The Orthodox patriarch of Serbia will lead a religious procession through Belgrade on Monday, heightening risks of confrontations between the police and opposition protesters in a deepening political crisis.

The traditionally pro-government Orthodox clerics have taken sides with the opposition in its nine-week campaign against election fraud. On Monday, Patriarch Pavle will lead his flock along Kolarceva Street, now blocked by a standoff between students and riot police, to St. Sava Cathedral. *(Reuters)*

Italian Farmers Ease Standoff

ROME — Italian farmers eased their 10-day protest in Milan against huge European Union fines for overproduction of milk that has brought chaos to the city's main Linate airport, but vowed to fight on until their demands were met.

Farmers agreed Saturday to free a stretch of one of the main roads until Monday, when they hope to have a government response to their demands. *(Reuters)*

Scientology Turns to Rights Unit

LOS ANGELES — The Church of Scientology has filed an application with the European Commission of Human Rights accusing the German government of discriminating against its members.

The Church of Scientology International said the application, filed Friday, was unprecedented in that the church was bypassing German courts. *(Reuters)*

Turkey Faults German Judge

ANKARA — Turkey said over the weekend that it would sue a German judge who accused Foreign Minister Tansu Ciller and other cabinet members of protecting heroin smugglers, unless he apologizes or releases evidence supporting his claim.

A Frankfurt trial judge, Rolf Schwalbe, had said Tuesday that heroin traffic between Turkey and Western Europe was controlled by two Istanbul families that had "excellent relations" with the Turkish government and "personal contacts" with Mrs. Ciller, a former prime minister. *(AFP)*

The EU This Week:

International Herald Tribune

Significant events in the European Union this week:

- EU finance ministers meet in Brussels. A key issue will be whether France renews its call for a council of ministers of countries adopting the single currency.
- Separately, the Dutch EU presidency will seek to resolve a long deadlock over reducing the level of EU guarantees for lending by the European Investment Bank to non-EU countries.
- Chancellor Helmut Kohl of Germany meets in Bonn on Thursday with Prime Minister Jose Maria Aznar of Spain, who is expected to press his case for including Spain in the first group of countries adopting the Euro in 1999.
- Prime Minister Romano Prodi of Italy meets Prime Minister John Major of Britain in London on Friday. A key issue will be whether Mr. Prodi backs Mr. Major's opposition to French-German proposals for flexible integration among fewer than 15 EU countries.

INTERNATIONAL

Humanitarian Disaster Brews in Eastern Zaire

Foreign Involvement Raises Fears of War

By Lynne Duke
Washington Post Service

KINSHASA, Zaire — As Zaire presses its battle to regain rebel-held territory, relief workers say the eastern region of the country is primed for a humanitarian catastrophe, and diplomats say they fear an even wider conflict could break out because of foreign involvement in the war.

The Kivu region of eastern Zaire, which borders on Rwanda, Burundi and Uganda, is awash with refugees, troops, rebels and mercenaries in an explosive cocktail that, if ignited, could deepen the chaos of Africa's third-largest country.

Displaced by fighting between Zairian troops and a foreign-assisted rebel force, several hundred thousand Zairians are homeless in the region. Their number adds to the 200,000 Rwandan refugees — the remnants of a larger group that returned to Rwanda last year — whom relief agencies recently have found in barely accessible jungles.

The Rwandan refugees and displaced Zairians are either in camps or adrift in a region where Zaire's armed forces last week began a counteroffensive to regain key towns from the rebels, who seized a 300-mile-long swath of border territory in fighting that began late last year.

Ill-disciplined Zairian troops under newly appointed commanders are being assisted by foreign troops and mercenaries, according to diplomats and aid workers.

On the rebels' side, fighters were trained by Rwanda, and Rwandan troops fought with the rebels last year in the early days of the war. Ugandan troops also entered Zaire recently in a region where rebels were attempting to seize territory.

The extent of foreign support for the rebels is unclear. But earlier this month, Daniel Simpson, the U.S. ambassador to Zaire said, "Zaire has been attacked by Uganda and Rwanda."

Diplomats are worried that the fighting could touch off a multilateral war.

"The common concern of the diplomatic community is the fact that this war can reach a point where involvement of foreign countries can blow up everything," a French diplomat said.

The stakes for the region are high, but especially so for Zaire, with a population of 45 million and a land mass one-third the size of the United States. Entering the seventh year of a rocky transition from one-party state to democracy, Zaire is to hold its first democratic elections later this year.

But elections may not be possible if the nation is at war, and if Zaire asserts its right to retake the areas the rebels now are holding. Another factor is the ill health of Zaire's long-time autocrat, Marshal Mobutu Sese Seko, who has been abroad for almost all of the last five months.

One diplomat here described 1997 as a "make or break" year for Zaire that will determine whether it slides deeper into chaos or turns a corner toward reform.

Zairians trace the crisis to 1994, when 1.1 million Rwandan refugees streamed into the country following genocide in their homeland. Camps established on Zairian soil for the refugees soon became launching pads for raids against a new government in Rwanda. Last October, Zairian rebels backed by Rwanda began attacking Zairian towns and menacing the refugee camps.

Hundreds of thousands of people living in refugee camps and towns near the fighting were scattered and set adrift. The refugee crisis was defused by the return of about 600,000 to Rwanda in mid-November.

Although United Nations officials estimated that 500,000 refugees were marooned in Zaire, the Rwandan repatriation took the steam out of a planned international peace force that was to move into eastern Zaire to ease the crisis.

The peace mission was aborted, and Zairian officials say the current war has its roots in that decision. Zaire's foreign minister, Gerard Kamanda wa Kamanda, criticized the international community for backing away from the peace force.

He attributed the decision to discrepancies between "the reality on the ground" and reports filed to the United Nations by its representatives in Zaire, according to a statement from Mr. Kamanda's office.

Mr. Kamanda declined to be interviewed on the war, and the government banned most foreign journalists from traveling to the main eastern base camp at Kisangani.

The government claimed to be retaking the town of Walikale, southeast of Kisangani, and fighting is reported to have broken out around the town of Amisi, which has about 40,000 refugees.

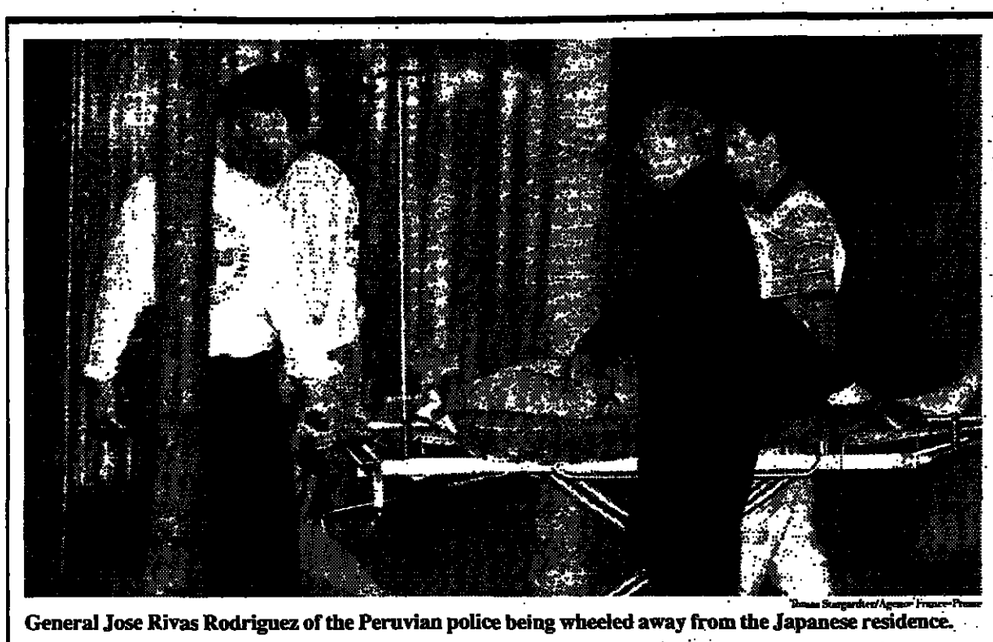
The refugees include many women and children, but are widely believed to also include some perpetrators of the Rwandan genocide. They are reportedly scratching out a malarial, malnourished existence in areas that are receiving minimal emergency food and medical aid from international relief agencies.

Delivery of relief supplies is hampered by security concerns, as well as the refugee camps' inaccessibility. Roads often are too rough to ride and too narrow for any but the smallest aircraft to land.

Refugees International on Friday called for an international mission to move roughly 40,000 refugees from the town of Shabunda, south of Walikale, where provisions have run perilously low.

Aid there must be flown onto a grassy airstrip, bicycled to a river, canoed across, bicycled again, and finally carried on the backs of refugees to their camps in the jungle, said Lionel Rosenblatt, president of the refugee organization, which sent a field worker to the town.

An additonal 120,000 refugees are being offered emergency relief at Tingi-Tingi, midway between Kisangani and Walikale.



Reuters

General Jose Rivas Rodriguez of the Peruvian police being wheeled away from the Japanese residence.

BRIEFLY

Peru Rebels Free Ailing Hostage

LIMA — Leftist rebels freed a police general from among their dozens of hostages Sunday for medical reasons.

Police General Jose Rivas Rodriquez was wheeled out of the Japanese ambassador's residence on a stretcher shortly before 1 A.M. His release leaves 72 captives in the hands of the rebels. *(AP)*

Sudan Attacks a Rebel Base

KHARTOUM — Sudan said Sunday that it had attacked a rebel base near the southern border with Uganda, opening another front in the war against rebels trying to overthrow the Islamist government.

Rebels and the government have previously reported clashes in the east, near the Ethiopian and Eritrean borders.

State television quoted the information minister, Tayeb Ibrahim Mohammed Khair, as saying the armed forces had killed several rebels and routed others in fighting that took place at Lokia, an area near the town of Torit about 75 kilometers from the Uganda border. *(Reuters)*

Cyclone Kills 6 in Madagascar

ANTANANARIVO, Madagascar — A cyclone that tore through this Indian Ocean island nation and killed at least six people, the government said Sunday.

Another 100 are missing and 30,000 are homeless.

State radio earlier said the death toll was 15 and initial reports said it was as high as 118. Communications with the affected areas was poor, complicating efforts to get accurate casualty figures.

The cyclone, designated Gretelle, struck the island of 13 million people from the southeast on Saturday morning, officials said. High winds created severe flooding that destroyed several cities and damaged many others, state radio said. *(AP)*

OAS Assails Mexico for Jailing

MEXICO CITY — Leaving a black mark on Mexico's human-rights record, a panel of the Organization of American States has condemned the government for jailing a general who publicly criticized the armed forces.

The panel, the Inter-American Commission on Human Rights, has called for the immediate release of Brigadier General Jose Francisco Gallardo Rodriguez, 50, who has been in a military prison since November 1993.

General Gallardo argued that he had been imprisoned after writing an essay that detailed several crimes committed by Mexican troops and urged the creation of an ombudsman to hear complaints.

This is the first time the commission has ruled Mexico in violation of individual civil rights, Mexican officials and human-rights activists said. The panel has previously censured Mexico for electoral fraud. *(NYT)*

Algiers Rally Is Peaceful As Marchers Seek Dialogue

Reuters

PARIS — Algerian security forces muted an opposition rally Sunday that had been called to demand dialogue with Islamists and an end to bloodshed in the North African country.

The opposition had threatened to defy a government ban on street protests. Instead, the demonstrators avoided confrontation, marching peacefully and laying a wreath near the site of a car bomb that killed 42 people last week.

Witnesses said the authorities drew a security belt in and around the Belcourt district in central Algiers where the rally and wreath-laying was expected to take place. They cordoned off the area, blocking traffic with the aim of preventing protesters from reaching the bombing site, they said.

Hundreds of people, led by opposition leaders and human-rights activists, took part in the march, one participant reported by telephone.

Residents reported no arrests or incidents during the march, organized by the Signatories of Peace Call — a group of politicians representating several opposition parties, including the main secular opposition Socialist Forces Front, as well as prominent writers, intellectuals and former ministers.

The Peace Call group wants a dialogue established between the opposition, including moderate leaders of the banned Islamic Salvation Front, and the government to end the civil strife that has killed more than 60,000 people since 1992.

In a speech Friday, President Liamine Zeroual assailed the country's legal opposition for having a hidden agenda of surrendering Algeria to Muslim guerrillas who reportedly have killed more than 250 people this month.

He also attacked the legal opposition for hiding behind "the calls for peace."

He said they were "an invitation to the Algerian people to resign themselves to assassination, destruction and hegemony."

The government also ordered independent newspapers on Saturday not to play into the hands of "terrorist propaganda".

Algerian authorities have draconian powers over the press, but independent papers have walked a tightrope in giving details of killings, uncleared by the authorities, who until recently have repeatedly said that only "residual terrorism" remained.

HONG KONG: *Colony Being Reintegrated Before the Handover*

Continued from Page 1

Siu, a professor at Hong Kong University's Center for Economic Research. "You ask people how they feel about 1997, and they say we've been dealing with China for the past 10 years. So 1997 is just symbolic — a change of flags."

China's ubiquitous business presence in Hong Kong is a barely visible fact of life. The amount is difficult to quantify, but estimates of Chinese investment here range from $25 billion to $45 billion. Thomas Chan of the China Business Center maintains that more than 10,000 companies operate in Hong Kong with Chinese capital.

Chinese enterprises doing business here fall into three categories — officially registered companies that are regulated by Beijing, subsidiaries that have approval to operate from their parent company or their provincial authorities and, most difficult to gauge, unofficial or illegal concerns that Mr. Chan estimates could number "a few thousand."

"It's really hard to calculate because some black money has been transferred to Hong Kong," said Patrick Chia, head of research at China Everbright Securities, adding: "Some people may just be carrying a lot of cash into Hong Kong."

From the vast scale of Chinese investment, it appears that virtually every entity in China — from the smallest southern fishing village to the most powerful ministry — wants a piece of Hong Kong's economic boom. Almost every Chinese provincial government has a company here. The army is thought to be the largest investor in Hong Kong; a large number of the estimated 20,000 companies under its control and worldwide are believed to be in Hong Kong.

But the mainlandization of Hong Kong is not felt only in the economic sphere. In virtually every other aspect of life — from what is taught in schools to the programs on radio and television to the pictures on coins and currency — Hong Kong is in many ways already a Chinese-run, Chinese-dominated city.

At the government-funded Hong Kong Arts Development Council, staffers recently were told that internal memos must be written only in Chinese.

"We should recognize now that the official language is going to be Chinese," said Katherine Hall, the council's secretary-general. "In the arts community, we see that artists are using Chinese more as their preferred medium of expression."

At the government-run Radio-Television Hong Kong, plans are under way to begin Hong Kong's first television channel totally in Mandarin Chinese, the official language of China. Hong Kong Chinese speak Cantonese, a completely different dialect, but Peter Shiu, assistant director of radio programming, said a Mandarin channel was needed because of the influx of people from China and the growth in the number of local people learning Mandarin.

Even some venerable British institutions are changing. Members of the Royal Hong Kong Yacht Club refused to drop "royal" from its name. But the club has invited Beijing's top naval officer in Hong Kong to take the ceremonial position of rear commodore, while President Jiang Zemin is being asked to replace Queen Elizabeth II as club patron.

Tourism, a staple of Hong Kong's booming economy, also shows signs of mainlandization. According to Hong Kong Tourist Association statistics, the 2.3 million Chinese visitors last year accounted for 19.7 percent of all tourists, ranking them just behind Japanese as the largest group of visitors.

COLONY: *EU Keeps Quiet Amid the Fuss*

Continued from Page 1

agreeing in 1984 to hand the colony back to China.

He said that Britain's expression of "serious concern" over Chinese threats to civil liberties would not change anything and was intended mainly "to show history that the British had done all they could to leave behind a democratic system."

Some analysts added that it would also ease the re-entry of the Hong Kong governor, Chris Patten, into British politics.

The source of the friction was the move by China just over a week ago. Igniting a storm of protest by democracy groups in Hong Kong, China said it needed to amend legislation that Britain had introduced without consulting Beijing.

A Beijing-appointed panel has proposed reinstating old colonial laws that give the police tight control over protests and dilute the Bill of Rights, removing its supremacy over other laws.

The United States added its voice to the British protest largely for domestic and its own political reasons rather than out of deep conviction to help Mr. Patten, according to Eugene Cooper, an expert on the future of Hong Kong and on U.S.-Chinese relations at the University of Southern California.

He described the U.S. protest as an "in your face" message that Washington was carefully watching Beijing's actions. The real issue, somewhere in the future, he said, was Taiwan.

"The United States is going to continue to ride China on the issue of human rights," Mr. Cooper said. "The key is knowing whether China can make one system work in two countries. The Chinese have to show good faith in Hong Kong before persuading the United States that they could also make it work in Taiwan."

Secretary of State Madeleine Albright cautioned that she would "tell it like it is on human rights and Hong Kong" at every opportunity. But she stressed the overriding importance of America's "multifaceted relationship" with China, which she said should not be held "hostage to one issue."

Mr. Cooper said that recent Chinese assertiveness on human-rights issues underpinned the U.S. position.

"We are saying, 'You guys think you are playing tough, and so we will line up with the Brits,'" Mr. Cooper said.

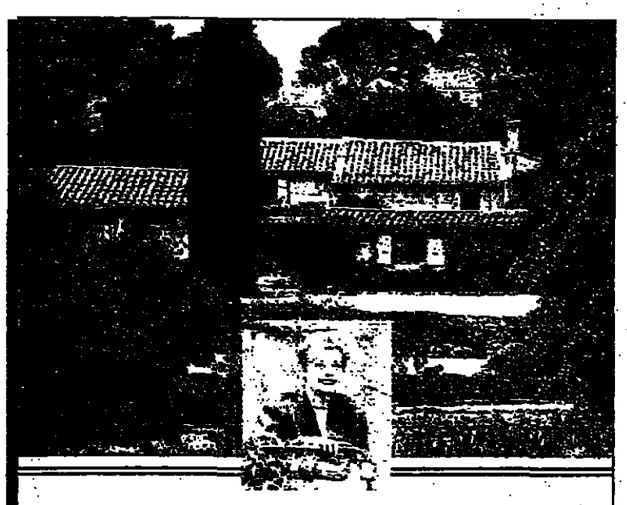
It is a message that "we are still here and we are watching you," he added. But it does not fundamentally question the nature or the importance of the overall relationship with China.

In Europe, the prevailing view, matching that of Hong Kong business leaders who have sided with Beijing, is that the colony's interests will best be served by a successful economic transition.

The colony is the EU's seventh most important trading partner, with bilateral trade of more than 21 billion Ecus ($17.5 billion), including a trade surplus of eight billion Ecus for the Union in 1995. Also, two thirds of EU-China trade and investment is estimated to pass through the colony.

PATRICIA WELLS AT HOME IN PROVENCE

Recipes Inspired by Her Farmhouse in France



PATRICIA WELLS AT HOME IN PROVENCE

Recipes Inspired by Her Farmhouse in France

PHOTOGRAPHS BY ROBERT FRÉSON

For the past thirteen years, Patricia Wells has been carrying on a love affair not with an individual, but with a region of France, a centuries-old stone farmhouse, and a cuisine. Now, in a cookbook that captures the soul of modern regional French cooking, the award-winning journalist and author invites readers to share the passion, the joy, and, best of all, the cooking of her adopted home.

Provence is uniquely blessed with natural beauty as well as some of the world's most appealing foods and liveliest wines. Patricia's culinary skills have transformed the signature ingredients of this quintessential French countryside into recipes so satisfying and exciting they will instantly become part of your daily repertoire.

Here are 175 recipes from Patricia's farmhouse kitchen. As you read and cook from this book, generously illustrated with the captivating color pictures of famed photographer Robert Freson, you will feel as if you have actually joined Patricia Wells in her beloved stone farmhouse, and her passion for the foods, flavors, and people of Provence will become yours.

Patricia Wells has lived in France since 1980, where she is the restaurant critic for the *International Herald Tribune*. She is the author of five best-selling books: *The Food Lover's Guide to Paris, The Food Lover's Guide to France, Bistro Cooking, Simply French,* and *Patricia Wells' Trattoria.*

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Jeane Dixon, Psychic and Columnist, Is Dead at 79

Reuters

WASHINGTON — Jeane Dixon, the noted psychic and astrologer, died Saturday of a heart attack shortly after arriving at a Washington hospital. She was 79.

Mrs. Dixon, whose daily "Horoscope and Predictions" column was read by millions, was also the president of a real estate company with her husband, James Dixon.

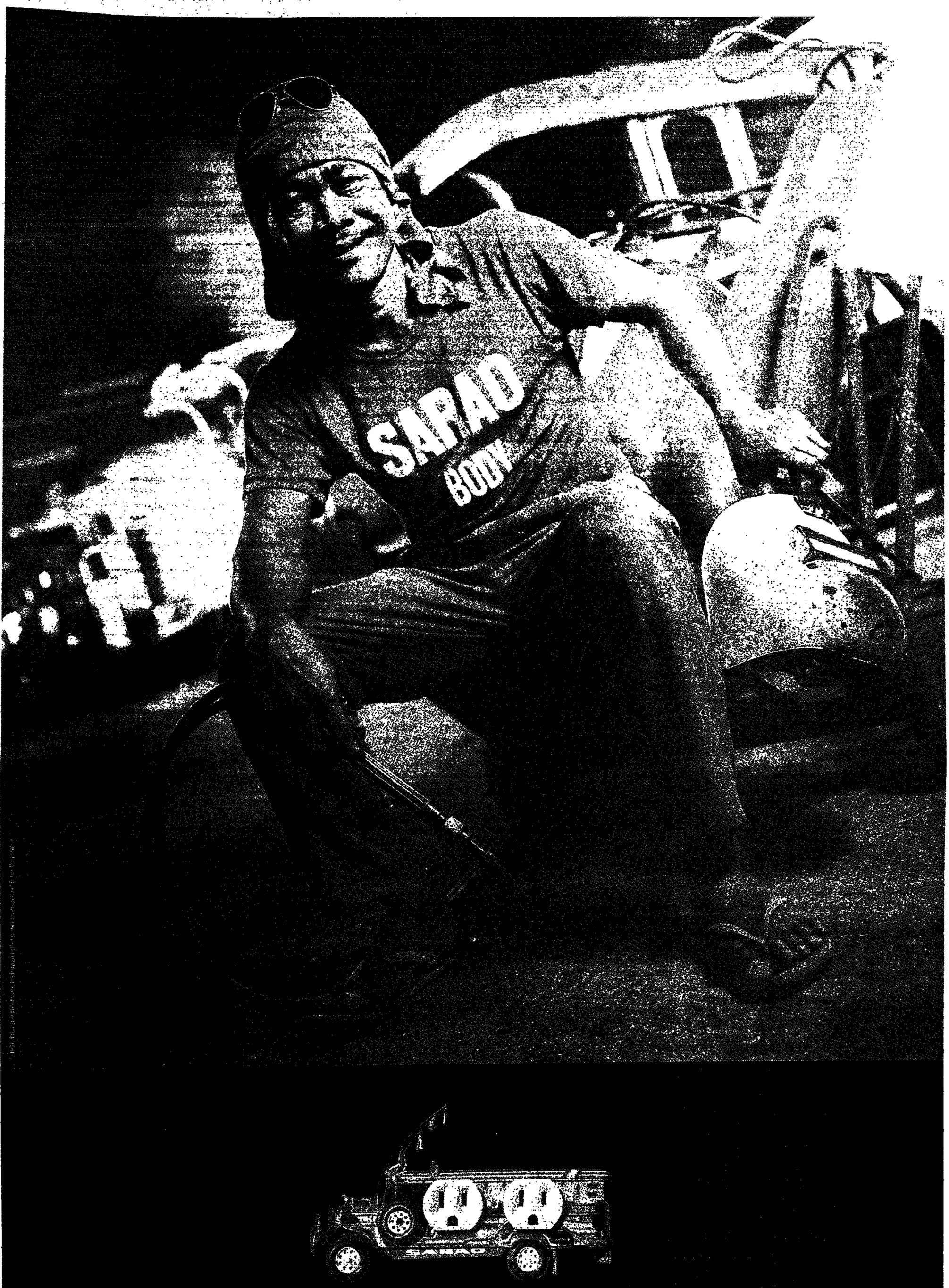
An adviser to many famous clients, including at one time Nancy Reagan, Mrs. Dixon achieved national prominence with her prediction that President John Kennedy would die in office. She was the author of at least seven books, including an astrological cookbook and a horoscope book for dogs. She was a leading exponent of extrasensory perception, as well as a prominent Washington socialite.

Manuel Tunon de Lara, 81, Leading Spanish Historian

BILBAO, Spain (AFP) — Manuel Tunon de Lara, 81, one of Spain's leading contemporary historians, died Saturday at his home at Leioa, near here.

Born in Madrid, Mr. Tunon de Lara, who had joined the Communist youth movement, was persecuted after the civil war by the Franco regime, which put him in a concentration camp. He emigrated to France in 1946.

Successively professor of history and Spanish literature at the Sorbonne in Paris and at the University of Pau, in southern France, he was allowed to return to Spain in 1973. He was the author of 29 works, mainly dealing with Spain in the 19th and 20th centuries.



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Vision for the UN

Kofi Annan, the new secretary-general of the United Nations, came to Washington last week in response to two invitations. One was from President Bill Clinton, who pledged to pay up U.S. arrears promptly and in full and suggested that Mr. Kofi work on UN reform with Senator Jesse Helms, who is holding the money hostage. The other came from Mr. Helms himself, with whom Mr. Annan set about seeking a common program of reform in a climate considerably warmer than those looking for tension between them had anticipated.

The procedure is unorthodox and, as Mr. Annan noted, cannot commit him to dealing with 185 member countries' parliaments. But the painful stalemate wrought on this issue by divided government in Washington compelled a new approach.

Mr. Helms and his Senate supporters appear to have the votes to enforce his United Nations strategy, which is to set unspecified "benchmarks" of reform and to release a slice of the money as each one is reached. This is playing hardball, but it is hardball of a sort familiar in these dealings. Up to a point, it is bound to strengthen the hand of reformers.

The key element, however, is not the ardor of the reformers. It is the vision of the United Nations that reform is meant to serve.

People commonly speak of reform as involving painful but conceivably salutary downsizing of a swollen bureaucracy that long ago slipped the control of its ostensible masters, the world body's members. Here it is necessary to parse Mr. Helms's own published thoughts.

He sees the United Nations not simply as bloated but as encroaching dangerously and purposefully on the sovereignty of member nations. His favored remedy is to cut the bureaucracy by half and the Secretariat's budget by, yes, 75 percent, and otherwise to let members pay just for the items they choose — diplomacy à la carte. Reform yourself in this fashion, he advises the United Nations in an ultimatum, or die.

In fact, to reform in this fashion is what most people already would consider death.

But let us not jump to dire conclusions. Mr. Helms offered these thoughts in a moment of angry pursuit of Mr. Annan's predecessor, Boutros Boutros Ghali.

Mr. Annan takes office not only with a sharp mind, a nice touch and a sense of political realism, but also with an appreciation of the services that a reformed United Nations can perform for all its members in development, the easing of conflicts, peacekeeping and other areas.

Surely President Clinton did not wave Secretary-General Annan down to the Capitol in order to sign up the two parties and the two political branches to sink the United Nations.

—THE WASHINGTON POST.

NATO Helps Europe

NATO's proposed expansion eastward has stirred debate, particularly with regard to the impact on the West's relations with Russia. But the reintegration of traditional Central European democracies into European organizations is not only about Russia. It is also a way to promote stability and encourage democratization within and among nations, as two developments during the past week have helped demonstrate.

The first, and most significant, was the historic signing of a reconciliation pact between Germany and the Czech Republic.

Officials from the two nations had negotiated for a year and a half, searching for a way to acknowledge past wrongs and move forward in their relationship. It was not easy.

Czechs have not forgotten, nor should they forget, how Nazi Germany moved into their nation beginning in 1938 and brutally occupied it until the Allied victory in 1945. Many Germans remain bitter at the postwar expulsion of ethnic Germans from Czechoslovakia, a far lesser crime than the Nazis', to be sure, but a crime nonetheless.

In the pact signed last Tuesday, the two nations agreed that "injustice inflicted in the past cannot be undone but at best alleviated, and that in doing so no new injustice must arise." Both nations admitted their culpability, in suitably calibrated language, and pledged to work toward future friendly relations.

Both sides had to give way. Chancellor Helmut Kohl angered a long-loyal constituency, the expelled Germans and their offspring, by not pressing for compensation. In the Czech Republic, critics on both left and right attacked Prime Minister Vaclav Klaus for befriending the former conqueror. But solid majorities in both countries appear to favor the pact.

Many factors played a role in the negotiations, but NATO enlargement was certainly significant among them. The Czechs know that no one will get into NATO without resolving all border disputes and other historical disagreements with neighbors. With the signing of this agreement, Germany now is committed to strongly support Czech accession.

Similar considerations prodded Romania and Hungary to sign a good-neighbor pact not long ago, overcoming long-standing suspicions and animosities.

And in Poland last week, the desire to enter NATO helped resolve a dispute in which army generals were resisting civilian control of the military.

It is important that Russia not feel excluded from Europe. But it is also important to recall, as the NATO debate proceeds, that Russia is not the only issue.

—THE WASHINGTON POST.

Canada and Cuba

The trip to Cuba last week by Canada's foreign minister, Lloyd Axworthy, was meant to send a strong message of protest to Washington about the overreaching Helms-Burton law. That misguided effort to punish foreign companies that invest in Cuba has already led to Canadian executives being barred from U.S. soil; if fully enforced, the law could inundate Canadian businesses with scores of costly lawsuits.

Unfortunately, Mr. Axworthy failed to deliver an equally strong protest against the human rights abuses of his Cuban hosts.

Canada is now Cuba's largest foreign investor, and Mr. Axworthy is Ottawa's highest-level visitor to Havana in more than 20 years.

Americans cannot reasonably object to his making such a visit. Diplomats from democracies, including American secretaries of state, visit dictatorships all the time. But such an important visitor should have insisted on the need to release political prisoners and expand individual liberties in the Western Hemisphere's most repressive dictatorship.

Mr. Axworthy reports that he did raise human rights issues in his private meetings with Cuban leaders. Also, Canada provides funds to independent Cuban groups that campaign for environmentally sensitive development and homosexual rights. But on the most pressing issue, encouraging democratic change, Canada is doing less than it should.

Ottawa ought to follow the example of the European Union, which recently decided to link any strengthening of its economic ties with Cuba to an expansion of the human and political rights of the Cuban people.

Fidel Castro's dictatorial rule and market-stifling economic policies have stunted Cuba for so long that it has become hard to imagine significant change. But Mr. Castro's advancing years and the economic crisis provoked by the end of Soviet subsidies make transition inevitable. It is in the interest of the United States, Canada and Cuba that change, when it comes, be peaceful and democratic.

By locking itself into a failed policy of rigid economic isolation, Washington deprives itself of the influence it should have as Cuba's most important neighbor and the home to the world's largest overseas Cuban community. Canada makes the opposite mistake. By not using its economic influence to press for political change, it forfeits its opportunity to exert a positive influence.

—THE NEW YORK TIMES.

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Toward a Major International Role for the Yen

By Philip Bowring

TOKYO — The international roles of the yen and of Japan as a financial center are on the point of a major breakthrough.

That may seem strange to say when the yen is at its lowest level in four years. Japan's financial institutions are on their knees and the country is sunk in gloom. But these immediate problems will become longer-term advantages.

Even if the Big Bang promised for the Japanese financial system in 2001 fizzles, the role of the yen will develop dramatically, driven by external as much as domestic forces.

Asian countries have, to varying degrees, long linked their currencies to the dollar. That was fine while America was their major trading partner and source of investment. After 1985, when the relative U.S. position in Asian trade began to wane, a link to a seemingly ever declining dollar provided a competitive advantage in international markets, and attracted a flood of Japanese investment into low-cost manufacturing locations. Southeast Asia and latterly China were the beneficiaries.

However, now that the yen has fallen by almost half from its 1995 peak of 80 to the dollar, countries with closely linked currencies are suffering. Export growth has fallen drastically, and Japanese manufacturing investment in Asia threatens to do the same once projects conceived during the era of the super-strong yen are completed.

South Korea has already shifted to a policy of linking its won more closely to the yen than to the dollar.

Thailand would like to do likewise but is inhibited by the domestic political implications of cutting the dollar link, as well as by the losses that would be sustained by Thai companies that have borrowed heavily in dollars assuming that there was little exchange risk.

Elsewhere in Asia, central banks are moving to more flexible exchange policies, widening fluctuation bands and increasing yen weights in currency baskets to reflect trade patterns.

Meanwhile, a weak yen, surprisingly low Japanese interest rates and the prospect of closer future links are beginning to make Asian companies, once terrified of an ever rising yen, interested in borrowing yen. Asian central banks are looking to increase the proportion of yen assets in their reserves to reflect changing currency linkages and trade patterns.

At present, yen reserves are only about 7 percent of the global total. Japan, once fearful that internationalization would mean loss of monetary control, is keen to now encourage it. Links with other Asian central banks seeking to enhance currency stabilization have been formalized.

The Bank of Japan is likely to issue new short-term paper and simplify procedures for central banks to hold yen. With European monetary union, the yen will be Europe's only significant reserve currency alternative to the dollar.

Greater yen use in trade would reduce the problems of currency instability not only for Japan but also for its Asian trading partners. Japan is the major import source for most Asian countries, yet only 36 percent of Japan's exports are yen denominated, and only 25 percent of its imports.

This is likely to change as Japan imports more from its own factories in Asia, but removal of artificial barriers to yen use will help.

Even more important from a Japanese perspective is the need to see more of its huge overseas assets denominated either in yen or in a currency that moves more in line with the yen than does the dollar.

Japan is currently in the unwise position of being by far the world's largest creditor but with its foreign assets mostly denominated in the currency of the largest debtor. It has book losses of tens of billions of dollars on its purchases of U.S. and other foreign debt.

It makes absolute sense for the Japanese to lend in yen, preferably to the countries with which it has the closest trade and investment links. Time is running out. Japan's surplus will diminish as the population ages and as service industries replace manufacturing.

To date, yen-based lending has been small because of Japan's timidity toward a suspicious outside world and the incompetence of its insular and oligopolistic financial institutions. But change is on the way.

Japanese know that the old system no longer works. A new financial sector will emerge, with foreign exchange totally liberalized, with taxes changed to enable inward and outward capital flows, and with debt securities taking the place of bank intermediation.

The changes will provide the mechanisms by which Japan's industrial might and savings surpluses are transformed into financial power that will benefit Japan's savers and Asian neighbors, whose demand for closer links to the yen will help drive the process.

If there is a loser, it may be the U.S. assumption that demand for dollars is so limitless that America's deficits always become someone else's discipline.

International Herald Tribune.

The United States and Japan Could Calm Asian Worries

By Shinichi Ogawa

TOKYO — There has been much misunderstanding in Asia, especially in China, about the changes being made in the U.S.-Japanese alliance, which Washington took the initiative to revitalize. This led to the Joint Declaration on Security signed by Prime Minister Ryutaro Hashimoto and President Bill Clinton last April.

In the joint declaration, the United States reassured East Asian countries of its security commitment, while Japan made clear that it would review bilateral defense cooperation guidelines drawn up in 1978 so that it could build a closer working relationship with the United States and play certain security roles outside Japan.

From Washington's point of view, to ensure that security ties with Japan continued, the long-standing imbalance in military roles had to be corrected; there had been increasing criticism of Japan for not shouldering adequate defense responsibilities.

But the declaration suggested that the scope of the alliance was being expanded and focused more on regional stability. Until then it was interpreted to cover the region called the "Far East." The declaration referred instead to the "Asia-Pacific region."

Reactions to these changes have varied. Beijing suspects that the expansion is intended to contain China. It has expressed concern that a stronger military role for Japan in the alliance may lead to it becoming a military power.

South Korea agrees that the expansion of the alliance will contribute to stability on the Korean Peninsula, but South Koreans remain cautious about Japan's military role.

Australia and members of the Association of South East Asian Nations generally reacted favorably, seeing it as a stabilizing development and a reaffirmation of the U.S. military presence in the region. But ASEAN countries are sensitive to China's reaction.

To allay Asian concerns, Japan and the United States should have closer consultation with countries in the region as they review the actual working of their alliance partnership, so that there are no unnecessary apprehensions or misunderstandings.

It is very important for Tokyo and Washington not to give China a false impression that the alliance is being adjusted to contain growing Chinese power. Instead, the alliance needs to be managed in a way that shows that it is nonthreatening and a pillar of peace and stability in the region.

And the United States, Japan and other East Asian countries should intensify moves to integrate China into a web of international arrangements that help to develop the Chinese economy. This may strengthen China's military power, but economic growth will also promote democratization.

The political evolution of Taiwan and South Korea attests to the fact that the richer a country, the freer it becomes. There is a correlation between wealth and democratization.

Since history shows that democracies seldom fight each other, a reasonably democratic China is likely to be moderate and cooperative in its relations with its neighbors.

The writer, a senior researcher at the National Institute for Defense Studies in Tokyo, contributed this personal comment to the International Herald Tribune.

An Excess of U.S. Chores Between Israelis and Palestinians

By Thomas L. Friedman

WASHINGTON — Whenever U.S. special envoy Dennis Ross would accompany Palestinian leader Yasser Arafat and Israeli Prime Minister Benjamin Netanyahu to meetings at the Erez checkpoint, an Israeli officer there used to pull Mr. Ross aside and whisper, "You have to make this work."

When Israeli and Palestinian negotiators got into a dispute over Shuhadah Road, a key street that bisected Hebron and ran right in front of the Jewish settlers there, they decided to compromise by widening it, to keep everyone farther apart. But because neither side trusted the other, Aaron Miller, Mr. Ross's deputy, was asked to go down with a tape measure and, while Israelis and Palestinians looked on, measure the street and produce a plan for a just and lasting widening of Shuhadah Road.

Never before has an Israeli government let the United States get this deep into an Israeli-Palestinian negotiation. No issue was too small for U.S. mediation. That is both good news and really scary.

Not only were U.S. mediators measuring the sidewalks in Hebron, but, more important, they became the instrument through which Israelis, and to some extent Palestinians, forced their leaders to cut this deal. The United States was the bridge between an Israeli silent majority that wanted this Hebron withdrawal and an Israeli leader who was initially ambivalent about it.

The United States was also the reality principle, letting both sides know what was possible and what was not.

Some of these roles the United States will want to continue playing, but it must extricate itself from others quickly.

The reason the relationship between the late Yitzhak Rabin and Mr. Arafat worked — without the United States — was that they had developed, through a difficult learning process, a degree of mutual trust. For them the trust was central, and the words and the timetables could always be adjusted around it. Mr. Arafat and Mr. Netanyahu had no trust, so for them the words were everything.

And the reason the United States was drawn so deeply into their negotiations was that Mr. Arafat and Mr. Netanyahu didn't even trust each other's words, so a sheriff was needed to say to each of them what they wouldn't say to each other and to guarantee to each the other man's words.

Mr. Rabin and Mr. Arafat created out of their mutual trust workable agreements. The question now is, can Mr. Netanyahu and Mr. Arafat create out of their workable agreement some mutual trust?

That is crucial, because it is impossible to imagine them addressing the final-status issues, let alone the day-to-day ones that will crop up, without a more self-sustaining relationship. And without that, the United States will be caught in the crossfire.

Where the United States must remain engaged is as the reality principle, not only for Israelis and Palestinians but also for Egypt and Syria.

There is a widespread feeling among U.S. officials that Egypt initially tried to block this Hebron deal. What Mr. Netanyahu finally admitted in Hebron was that there is only one peace process: Oslo. What the Egyptians need to admit is that there is only one playing field.

That is, the Egyptians seem ambivalent about the peace process now, because it means a new playing field in the Middle East — one on which Israel will be fully integrated and the competition will be largely economic, where Egypt feels a disadvantage. Either Egypt defines another playing field that would also include Israel, or it accommodates to this one.

But if it continues to fight it, Egypt will find itself in a clash with America no less acrimonious than the one Mr. Netanyahu encountered when he tried to oppose Oslo without an alternative.

There will now be renewed pressure to resume the Syria-Israel talks. Don't rush it. An Israeli-Palestinian deal is still the key to regional peace. The United States needs to tell Syria and Israel that if they want to start up talks again, they cannot avoid the real issues again.

Mr. Netanyahu will have to commit, up front, to withdraw from the Golan. Hafez Assad will have to commit not only to full peace with Israel, but also to negotiate peacefully.

Mr. Assad is living in a dream world if he thinks he can defy the laws of gravity that have governed every other Arab-Israeli negotiation: that Israel must be offered not only the substance of coexistence, but also a negotiating process — with real people-to-people interactions — that demonstrates a willingness for coexistence. That is the only way Israel will cede territory.

If Syria and Israel are not ready for that sort of negotiation, then the United States should suggest that this would be a perfect time for France to mediate.

The New York Times.

Neglected Isles of Former Empire

By Stephen S. Rosenfeld

WASHINGTON — In the White House and out in America's far-flung island territories, a head of steam is building up behind the notion that next year's centennial of the Spanish-American War is the right time to knit up the war's lingering colonial legacy. That means cranking up right now.

The Philippines was relinquished 50 years ago, and Cuba 95 years ago, although there the United States kept a base at Guantánamo. But Puerto Rico and Guam, which the United States took as coaling stations, are a standing taunt to 20th century public virtue. These are U.S. territories where the federal government withholds full political rights from the American citizens who live there. They are undigested and largely unacknowledged bits of empire.

In Spain the loss of all these outposts is regarded as "the disaster." In the United States they race few pulses outside interested circles. Nor can it yet be said that the costs of neglecting these questions will be unbearably high.

But rendering attention to these vexing questions is prudent and the right thing to do. A country with claims to civic pride and world leadership is bound to keep seeking a way to bestow on its citizens of different circumstances all privileges and duties of the house.

That takes in Puerto Rico, Guam and the smaller territories that came from other than Spain — the Virgin Islands, American Samoa and the Northern Marianas.

You will note the absence from that list of the District of Columbia, the most conspicuous display under the sun of limits on the political rights of American citizens. The District is different, but its plight does highlight the difficulties of melding American principle and practice in the island territories.

The rights of self-government that the territories enjoy are more limited than those of the states, and can be stripped or altered at will by a Congress in which they are not represented.

For decades, Puerto Rico and Guam have been struggling to find a relationship to Washington — a "status" — that finally would satisfy local as well as national, including constitutional, tests. The effort has foundered on the difficulty of offering the smaller territories a status other than statehood — which is not realistically available to them — in which to enjoy full membership in the American family as an alternative to substantial local autonomy.

The latter is what Guam is seeking, because statehood is not available, and what Puerto Rico presumably will seek if statehood turns out to be unavailable to it as well.

The fuss over whether Congress can or should make Puerto Rico teach in English in its public schools is simply the most recent battleground. A question of national identity is at play. Americanize and assimilate newcomers? Of course. But is it fair to compel Puerto Rico's reluctant already-citizens, as a condition of statehood, to set aside the language they have been speaking since the island was taken over, without their consent, 100 years ago?

At the moment, Puerto Rico is reaching out, through legislation submitted in Congress, for an accord that would define a set of status choices for Puerto Ricans and commit the United States to honor their decision in a plebiscite in 1998. Guam has under way a parallel project.

Three of the possible choices are familiar from past Puerto Rican debate. The hybrid of commonwealth, long ascendant, is waning. Statehood is coming on in San Juan but forces tough issues of language, congressional seats and money in Washington. Independence has never had a following.

But something new is in the air — "free association." As established in the Marshalls, Micronesia and Palau, it accords nearly full self-government and international recognition in return for full U.S. authority over defense and a U.S. obligation to provide aid. By being voluntary and reversible, this arrangement avoids being stigmatized by the United Nations as colonial. In the ranks of those pondering the future of Puerto Rico and Guam, the possibilities of "free association" are being mulled.

The latter is what Guam is seeking, because statehood is not available, and what Puerto Rico presumably will seek if statehood turns out to be unavailable to it as well.

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That is not the only fresh idea being circulated at this moment when millennial ardor is reinforcing a reach for closure at the Spanish-American War's centennial. Peter Rosenblatt — who negotiated the "Compact of Free Association" with the Marshalls, Micronesia and Palau — would widen the quest and have the president invite the American and territorial parties to analyze a range of status options from full independence to full integration in the United States on terms of equality.

Incorporating islands in an existing state, Hawaii, might do a good bit of it. Or amending the constitution to admit islands to the union other than as states.

It is not so important to start out with the right formula as to set up a process to produce the best options. The basic requirement is a commitment to the equality of fellow Americans. The Spanish-American War was undertaken, at least nominally, to extend American rights to a benighted realm. Now that purpose of the war should be brought home.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: A Death Test

MUNICH — Professor E. Friedrich has discovered a new variety of Roentgen rays, by which he asserts he can diagnose infallibly whether a human body is in a trance or really dead. The easiest means of testing their efficacy is by photographing a human hand. If the hand treated by the rays presents the same appearance on the photographic plate as one photographed with Roentgen rays then it must be the hand of a living person. If the hand shows no characteristics of the Roentgen "bone hand" it is proof the owner of the hand is indeed dead, and not in a trance.

1922: Road Deaths

NEW YORK — Nearly 2,000 persons were killed and 40,000 injured by automobiles in New York State last year. A legislative committee found that most of the accidents occurred outside large cities, because the officials of country districts permitted almost anybody to drive a motor-car, including children, aged, lame, blind, and deaf people. The committee urged that no licenses be granted unless the applicant passes a rigid examination and practical tests.

1947: Anti-Nazi Alert

LONDON — A sweeping charge that re-created Nazi organizations in Germany were seeking to return to power has been laid before Allied governments, the International Committee for the Study of European Questions announced. The organization said "the Nazi party has recovered from the first shock of Germany's defeat and is quietly reorganizing for a return to power through capturing control of the democratic institutions set up by the Allies."

LANGUAGE

Why They Shoot Horses in France

By William Safire

NEW YORK — Alain Juppe, the politician Jacques Chirac chose to be prime minister of France, has long come across as a bit of a stiff. With his popularity plunging to a new nadir, the brusque technocrat, to dispel his image of intellectual arrogance, has decided to let all his hidden passion and repressed angst hang out in a new book titled "Between Ourselves."

When Roger Cohen of The New York Times asked Juppe if such personal confessions as those in the book might make matters worse, the prime minister answered in a curious way: "Perhaps. *They shoot horses, don't they?*"

What is the origin of this phrase, expressed by Juppe in French as *"On acheve bien les chevaux?"* A former bouncer in a marathon dance hall, Horace McCoy, titled his first novel, published in 1935, "They Shoot Horses, Don't They?" Its theme was defeatism in life's long dance, its style hard-boiled; its plot centered on the killing of a marathon dancer, a hopeless derelict, by her partner, out of what the murderer insisted was kindness, as "the only way to put her out of her misery."

Like James M. Cain, another hard-boiled novelist of the period, McCoy was popular in France; his publisher, Random House, blurbed that McCoy was "hailed by the critics of France as the peer of Hemingway and Steinbeck." The phrase was reinforced in France at about the time Juppe was growing up by the 1969 release of the Sidney Pollack film of that title, starring Jane Fonda, in which Gig Young won an Oscar in a supporting role as the unctuous contest promoter.

The meaning in France as well as America, in light of the misery-ending plot, is clear: "Sometimes you have to be cruel to be kind." But considering the possibility that his book might make matters worse, Juppe's use of the phrase is ambiguous; it could mean "So maybe I shot myself in the foot," or "With this personal revelation, I could be ending my career and putting myself out of my misery."

Was the phrase original with the hard-boiled McCoy, who died in 1955? Bartlett's Quotations as well as the Oxford Dictionary of Quotations cites him as the source. The French use horses in sayings: *Il n'est si bon cheval qui ne bronche* means "The best horse may stumble," and *Il est aise d'aller a pied quand on tient son cheval par la bride*, "It's easy to step down from high position when that position can be resumed at will." *(Ecoutez-vous*, Newt?) But our misery-loves-dispatching adage cannot be found among French proverbial sayings; until otherwise refuted, it's the real McCoy.

A cascade of E-mail (only my snail mail gets a terse postcard reply) can be expected about the misuse of the reflexive in "Between Ourselves." A reflexive pronoun should refer to a subject that precedes it, and there is no referent for *ourselves* in Juppe's title. Same problem with the somewhat more proper "Among Ourselves"; nothing to hook onto. Better use "Between You and Me" or, if searching for a larger book sale than one, "Between Us."

□

Daniel Schorr, dean of electronic pundits, designated the word *arcane* as the newest addition to the lexicon of scandalspeak. Data bases show a rush of uses of *arcane* within 50 words of the name Gingrich. That demonstrates how defenders of Newt Gingrich, in their campaign to keep him as speaker of the House, universally embraced that adjective to apply to "a tax law too complicated to hope to master."

The mysteriously ubiquitous word is rooted in the Latin *arca*, "chest, box," which is also the root of *ark*, a boat Noah built to enclose, or hold in, two of every species. The synonym is "secret," but because that word is stamped on just about every document around Washington, the unopened box behind the unfamiliar *arcane* gives the word a connotation of deeper mystery understood only by the initiated.

The noun form, commonly used only in the plural, is *arcana*.

Opponents of Newt used three related terms that need separation here: he was urged to *step down*, *step aside* and *stand down*.

Step down, dating back to 1400 in its primary meaning of "to go from a higher level to a lower," gained its extended meaning of "to withdraw or retire from office" in 1890: "Let . . . the lunkheads *step down* and resign."

Step aside, in 1530 meaning "to move out of the path," has an extended meaning, not yet in many dictionaries, of "withdraw temporarily" or "make room for a replacement." It is ambiguous in its conclusion, a step short of the decisive *stepping down*. If the 25th Amendment ever came into play, a disabled president would step *aside*, letting the vice president assume his powers as acting president, but would not step *down*.

Stand down began in 1681, telling a witness to "step down from the box after giving testimony." It was picked up by sports a century ago to mean "give up one's place on a team" and in World War I gained its present sense of "relax, come off duty after a state of alert," in contrast with *stand to;* after the Armistice, the opposing forces *stood down*. Used in connection with a call for a politician to step down or aside, *stand down* is, in the adjectives carefully chosen by the House ethics committee, "inaccurate, incomplete, and unreliable."

New York Times Service

BOOKS

MAKER OF SAINTS

By Thulani Davis. 250 pages. $22. Scribner.

Reviewed by Paula L. Woods

THERE is an evolving category of contemporary popular literature — call it "lit lite," if you will — that inundates the reader with characters' appetites for brand-name clothing, cars and cigars, and regrettably not much else.

These novels suffer from thin plots, anorexic character development and themes that are virtually nonexistent. Two hours after we close the book, we're hungry for another one. And while that's great for publishers, it's not so good for serious readers, not to mention the world's supply of trees.

It is a dilemma that writers must increasingly face as they sit before their blank screens — do they attempt to write an accessible, "popular" novel, or do they pull out the stops and strive for the higher, potentially less lucrative goal of "literature"?

A few recent novels have shown that both are attainable, but there's no easy recipe. If anyone could pull it off, you would expect it would be a literary adept like Thulani Davis, author of the well-regarded first novel "1959," as well as a poet, playwright and librettist.

Her latest novel, "Maker of Saints" — an intelligent, ambitious stew of friendship, jealousy, the crossroads of myth and lies, the nature of woman's creative expression and the ennui-riddled world of certain postmodern African Americans — adopts the devices of a popular literary genre, the thriller. And while Davis offers the reader a rich gumbo, redolent with evocative writing and concepts, "Maker of Saints" is more of a tidbit for the mind than a fulfilling, "mmm-mmm good" read.

THERE almost seem to be two novels wrestling for dominance. One is a contemporary-thriller, whose essential plot is this: Did Alex Decatur — a Surname-born performance artist, free spirit, best friend and next-door neighbor of onetime painter Cynthia (Bird) Kincaid — jump or fall from her apartment window, leaving "a hollowed-out shape in the wet concrete resembling a grotesque sarcophagus fitted to a body in motion"? Or was she pushed by her lover, Frank Burton, an art critic whose withering opinions of Alex's and Bird's work left Alex manipulative and combative and Bird inexplicably unable to pursue her art?

The other novel is a moody, literary meditation on a towering list of themes: the cultural and social evolution of the black female artist through the post-civil-rights, postfeminist era; Frida Kahlo as symbol of the female artist's duality as artist and muse; Hindu and Latin American mythology and spirituality; the blues; "The Arabian Nights"; the use of masks and masking to hide one's identity and true feelings; and the pithier sayings of Lyndon Johnson. Fine writer that she is, Davis gives each topic in turn her incisive attention and a wordsmith's command of the language.

Sometimes the demands of the thriller genre and Davis's literary sensibilities intersect in ways that are memorable. But too often the reader is led through the novel's meandering literary constructs only to be lost in terms of the plot.

This is a conclusion drawn with regret, for "Maker of Saints" is a novel in which so much is happening — and of such importance as we careen toward the 21st century — that the reader roots for it all to come together into a satisfying whole.

Paula L. Woods, an author and editor of several anthologies, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

A MATCH played recently at the Beverly Club, 130 East 57th Street, determined two titles. The defending champions in the Von Zedtwitz Double Knockout Teams won their final match by 33 imps, going unbeaten. And Jim Krekorian of Manhattan became the New York Team Player of the Year for 1996.

The other winning team members were Lapt Chan of Forest Hills, Queens; Jon Heller of Brooklyn; Philip Alder of Manhasset, Long Island, and Brad Moss and Elizabeth Reich of Manhattan. The losing team, who would have forced a replay if they had won the match, was headed by Bruce Rogoff of Ridgewood, New Jersey.

In a wild conclusion, 67 imps changed hands in 10 deals. On the deal shown, the winners were content to play the North-South cards in three hearts, making an overtrick. In the replay, as shown, South experimented with an opening one-heart bid, theoretically showing a five-card suit. His partner's two no-trump bid showed opening values with a heart fit, and four hearts showed a balanced minimum.

Alder as West hit on a club lead, putting the defense on the road to success. Krekorian as East might well have played the jack, since South was marked with the ace. But he played the king, leaving the location of the jack in doubt after the ace won.

South led a diamond, and West was in a quandary after taking his ace. His partner played the four, giving an unclear message. West wanted to underlead his club queen, to allow his partner to win and play a decisive spade, but was not confident about the location of the club jack.

Shifting to a spade was right if East held the queen of that suit. West chose to cash the club queen immediately and then shift to the spade jack.

It was now South's turn to be in doubt. He could have made the game by playing low from dummy, but eventually decided that the spade king was on his right. He won with the spade ace, led the heart jack to the ace and played diamonds.

He was able to discard both his spades, but West ruffed and still had the heart king as the setting trick. The winning team gained 10 imps en route to the title.

NORTH
♠ A 9
♡ J 9 7 5 3
◇ K Q J 8
♣ 7 6

WEST
♠ K J 10 4
♡ K 6 4
◇ A 10 3
♣ Q 10 3

EAST
♠ 7 6 5 2
♡ 2
◇ 9 7 4 2
♣ K J 5 4

SOUTH
♠ Q 8 3
♡ A Q 10 8
◇ 6 5
♣ A 9 8 2

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♡	Pass	2 N.T.	Pass
4 ♡	Pass	Pass	Pass

West led the club three.

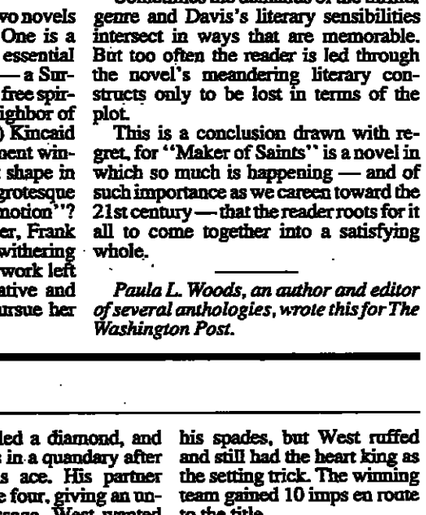
CROSSWORD

ACROSS

1 Desert plants
6 Swap
11 Stomach muscles, for short
14 Extraterrestrial
15 King or queen
16 Do some soft-shoe
17 Big name in video rentals
19 Kimono accessory
20 Musical partner of Crosby and Stills
21 Madison Avenue worker
22 Big monkeys
27 French artist Henri
29 Adjusts to fit
30 Extreme cruelty
31 Religious factions
32 Top floor
33 Rainbow shape
36 Lodge members
37 Air raid alert
38 Words of comprehension
39 Tiny bit, as of cream
40 Asia's —— Peninsula
41 Bus station posting: Abbr.
42 Mickey of "National Velvet"
44 Word said to a photographer
46 Split with a hatchet
47 Scorched
48 Contract with a car dealer
49 Limerick, e.g.
50 Bic filler
51 Yegg
56 "We're number ——!"
58 Eskimo boat
60 Lariat's end
61 Neighbor of Isr.
62 Little finger
63 Soaked

DOWN

1 Quick way around town
2 The whole shooting match
3 A.F.L.'s partner
4 Gumshoe
5 Tied up
6 Supporting beam
7 "High priority!"
8 Supermodel Carol
9 Ruby or Sandra
10 Unpredictable
11 Cyclotron
12 Rum cakes
13 Vertebra locale
18 Prohibits
22 Malign, in slang
23 Established
24 Writer —— Rogers St. Johns
25 Exhausting task
26 Chooses
27 Chum, to a Brit
28 Tennis score
30 Homeless animal
32 Felt crummy
34 Pee Wee of Ebbets Field
35 Yielded
37 Having one's marbles
38 Cake finisher
40 Advances
41 Tribal healers
43 Western treaty org.
44 Sonny's ex
45 Advertising awards
46 Comedian Bruce
47 Overly self-confident
48 Mountain
52 "—— Blues" (1929 #1 hit)
53 Five smackeroos
54 Dove sound
55 Keystone character
58 Sixth sense, for short
57 Juan Carlos, e.g.



Puzzle by Fred Piscop

Solution to Puzzle of Jan. 24

C	A	T	C	H	W	O	R	D		D	R	A	W	N
A	S	I	A	M	I	N	O	R		E	E	R	I	E
T	H	E	P	O	L	I	C	E		C	H	A	S	E
S	T	T	E	S		O	K	D		A	P	E	D	
U	R	N		A	N	Y		D	E	B	A	S	E	
P	A	T	H		U	S	M	A	I	L		H	U	D
	Y	O	U	R	S		O	N	E	C	R	O	P	
		P	E	T	R	U	C	H	I	O				
	T	E	S	T	R	U	N		A	D	A	R	S	
S	E	X		R	I	T	T	E	R		N	U	I	T
P	A	P	A	Y	A		A	N	D			N	A	E
E	R	T	C			P	I	T		F	I	R	M	A
L	O	A	T	H		A	N	A	T	O	M	I	E	S
L	O	T	S	A		C	H	I	N	A	R	O	S	E
S	M	E	A	R		T	I	L	T	M	E	T	E	R

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INTERNATIONAL



Joel Robine/Agence France-Presse

Ramazani Baya facing a barrage of journalists upon arriving at Charles de Gaulle Airport near Paris.

Zairian Ex-Envoy Returns to France

Immunity Lifted, He Faces Trial For Accident That Killed 2 Boys

By Anne Swardson
Washington Post Service

PARIS — Ramazani Baya, the former Zairian ambassador to France, has returned to Paris to stand trial for the deaths of two boys in a traffic accident.

Arriving Saturday at Charles de Gaulle Airport on a flight from Kinshasa, the Zairian capital, he said, "I wanted to come to France."

His return was the final step before legal proceedings against him could begin. Last Tuesday, the Zairian president, Marshal Mobutu Sese Seko, lifted Mr. Baya's diplomatic immunity by accepting his resignation. But it was not until Mr. Baya had returned to France from Zaire that it was certain the judicial process could go forward.

Mr. Baya said Saturday that he was coming back "of my own free will." Legal proceedings against him can begin as early as this week, though it is not clear how soon the trial will get under way. If convicted of manslaughter, Mr. Baya could be subject to up to three years in prison.

In an interview on the French television network TF1, Mr. Baya said: "As a father myself, I realize the tragedy and the parents' suffering. I know that only the trial they are demanding could bring them some comfort. I will not be in peace until this judgment has been passed."

In a similar case, President Eduard Shevardnadze of Georgia has promised to lift the immunity of Gueorgui Makharadze, a minister at the Georgian Embassy in Washington. Mr. Makharadze was driving the car that caused an accident Jan. 3 in Washington that killed 16-year-old Joviane Waltrick. Mr. Makharadze remains in Washington awaiting the outcome of a police investigation.

The French boys, Raphael Lenoir, 13, and Ronald Lehartel, 12, were killed in the town of Menton, on the Riviera, in the autumn. Marshal Mobutu, who has been undergoing treatment for prostate cancer, has been operating largely from his villa in nearby Roquebrune-Cap-Martin. On Nov. 23, Mr. Baya was responding to a telephone summons from the Zairian president, when his small, rented car struck and killed both boys as they were crossing a narrow beach road.

Mr. Baya left France the next day. In television interviews from Zaire, he frequently declared his intention to resign and return to France, and Marshal Mobutu often said he wanted his ambassador to face justice.

But it was not until a huge campaign by the parents, families and friends of the victims that Marshal Mobutu responded. Some 5,000 people demonstrated at the site the week after the accident, and about 700 held a demonstration a week ago. They said they were prepared to demonstrate outside Mr. Mobutu's villa on Feb. 1 if Mr. Baya did not return.

Patrick Lenoir, the father of Raphael, said Saturday that Mr. Baya's return meant that "he kept his promise." He added, "We see he is sincere, he accepts being judged."

"What helped us was the mobilization of the families, the relatives, to sensitize public opinion and the media," Mr. Lenoir. He also said he hoped to arrange a meeting with Mr. Baya to "see his reactions. It will not be easy."

The French government heavily pressured Marshal Mobutu, officially requesting the lifting of Mr. Baya's immunity on four occasions. In addition, there was speculation that Marshal Mobutu fired Mr. Baya in part because the Zairian president needed permission to remain in France to continue his cancer treatment.

Q & A / Stephen Ledogar

Treading Lightly At Geneva Talks

Over India's objections and after years of tough negotiations, the United Nations Conference on Disarmament last year produced a global ban on nuclear testing. Last week, the 61-nation body reconvened in Geneva for talks on banning anti-personnel mines and halting the production of bomb-grade plutonium and uranium. Again, India and other threshold states want these subjects linked with a timetable for nuclear disarmament. Stephen Ledogar, the head of the U.S. delegation, talked about the prospects and problems with Robert Kroon for the International Herald Tribune.

Q. Does this renewed linkage with nuclear disarmament threaten to derail the talks before they have started?

A. I hope not, and we are trying to discourage linkage. A cutoff of fissile materials and a ban on land mines are important new measures, which should not be held hostage to nuclear disarmament. The disarmament conference is not the proper forum for strategic arms reduction. For the foreseeable future, that is the domain of bilaterals between the U.S. and the Russian Federation. We have the START-2 reduction to 3,500 strategic nuclear weapons, we are dismantling nuclear warheads as fast as physically possible and as soon as the Russian Parliament has ratified START-2, we can move on to further reductions in START-3. The other nuclear states — China, Britain and France — first want the U.S. and Russia to build down their arsenals of thousands to their own level of hundreds. The first broadening of the talks would be to the three other nuclear powers. To attempt multilateral negotiations on strategic arms reduction in a 61-nation disarmament conference would only lead to unproductive rhetoric.

•

Q. Forty years ago, the Indian Prime Minister Jawaharlal Nehru was one of the first leaders to call for a halt in the production of nuclear bomb ingredients. Why would India or anyone else be against it now?

A. True, the production cutoff has been on the table for decades, and India was pushing it annually. But India's domestic situation has changed. It has moved from a leadership role to a curious position where we're told it is political suicide for any party to forgo the nuclear option. India refuses the Nonproliferation Treaty and is standing alone against the Test Ban Treaty. It produces plutonium for its nuclear weapons program and says we are the problem. Pakistan produces enriched uranium, and then there's Israel and the other wannabes. Iraq and Iran have contemplated the nuclear option. I don't know about Libya, but that does not seem a reality now. A cutoff treaty for fissile materials will be an important step forward. Like a worldwide ban on anti-personnel mines, it is ready for negotiation and we hope those two negotiations will not be blocked.

Q. Canada launched the Ottawa Initiative for a global land-mine ban by the end of this year, and now the unwieldy disarmament conference in Geneva is taking up the issue. Isn't that counterproductive?

A. That's debatable. Canada is aiming at a thorough, total and fast anti-personnel mine treaty by like-minded proponents, hoping to attract China, Russia and others to the club later. The disarmament conference will work in stages, the hard way, with all the key players involved from the beginning. I see Ottawa as an important complementary effort which can give momentum to Geneva's across-the-board approach. But it would be optimistic to think the Russians, Indians and Chinese will accept a full and global ban by the end of this year.

•

Q. China went along with the global test ban. Where does Beijing stand on the land mine issue and stopping its production of fissile materials?

A. China has problems with a ban on anti-personnel mines. They refer to their northern border of thousands of miles with Russia, which I gather is very heavily sown. Their military is still coming to grips with last year's nuclear test ban. But we believe China will cooperate in a cutoff of fissile materials, because that treaty deals with future production, and the position of the five nuclear powers is that it should not be an inventory of existing stocks, accounting for production in the past.

Q. In sum, what can be accomplished in Geneva?

A. The United States would prefer an outright ban on anti-personnel mines, especially dumb mines that do not self-destruct or self-deactivate. But we are not against a phased approach — first a ban on transfer, followed by a production stop, a ban on use and finally destruction of stocks. The Conference on Disarmament works by consensus and that could thwart progress.

Still, I believe that by the end of this year we could have significant progress, both in the land-mine talks and the cutoff negotiations.

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INTERNATIONAL

Corruption Investigation Threatens to Bring Down Netanyahu's Government

By Joel Greenberg
New York Times Service

JERUSALEM — The police began an investigation Sunday into reports of high-level corruption in Prime Minister Benjamin Netanyahu's administration, pursuing allegations that some cabinet ministers warned could bring down the government if they are proved true.

The police are checking a television report that Mr. Netanyahu's short-lived appointment of a new attorney general last week was part of a deal to win a plea-bargain for a coalition party leader on trial for bribery and to gain the party's support for an army withdrawal in Hebron.

According to the report, Aryeh Deri, leader of the strictly religious Shas party, pushed for the appointment of a lawyer from Jerusalem, Roni Bar-On, as attorney general, after Mr. Bar-On promised to arrange a plea-bargain in Mr. Deri's trial on charges of bribery and fraud.

The report said that to get Mr. Bar-On appointed, Mr. Deri first threatened that Shas would leave the governing coalition. Later, the report continued, Shas warned that it would oppose the Hebron agreement, jeopardizing its approval by the cabinet. Seven out of 18 cabinet ministers voted against the accord, and opposition by the two Shas ministers would have led to a stalemate.

Mr. Netanyahu pushed through Mr. Bar-On's appointment, but Mr. Bar-On, who was active in the governing Likud party, resigned 12 hours after taking office when his credentials came under withering criticism from legal experts and politicians from the left and right alike.

The report on the circumstances of Mr. Bar-On's abortive appointment, carried by Channel One television last week, has been categorically denied by both Mr. Netanyahu and Mr. Deri.

Mr. Netanyahu initially called the report a "complete fabrication" and accused Channel One of conducting a smear campaign against him. He told the cabinet on Friday that the report was "baseless, to the best of my knowledge," and he called for a swift investigation.

Mr. Deri said the report was "a lie."

But some worried cabinet ministers said that if the allegations were true, Mr. Netanyahu and his government would have to step down.

"I don't believe it's correct," Tourism Minister Moshe Katzav told reporters. "But if it is correct, the government does not have a right to exist."

Internal Security Minister Avigdor Kahalani said in a television interview: "If the affair is in fact as it appears, undoubtedly there is no place for this government."

The state attorney, Edna Arbel, ordered the police to begin an investigation. Police Commissioner Assaf Hefetz appointed a seven-member team to lead the inquiry and said Mr. Netanyahu could be summoned for questioning, along with other senior officials. He said the police might legally challenge Channel One to divulge the sources of its report.

After meeting with investigators Sunday, Channel One officials said they would cooperate, but would not reveal their sources. In Israel, journalists may be ordered to reveal sources if it is deemed vital for a police investigation.



Crispin Rodwell/Reuters

SEARCHING FOR AN ANSWER — Police scientists examining a bombed car Sunday in Ballynahinch, Northern Ireland. The bomb detonated while three off-duty British soldiers were checking it, injuring one.

Saudi Envoy Rebuts U.S. on Bomb Inquiry

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The signs of strain between the United States and Saudi Arabia over the investigation into a terrorist bombing of a U.S. military residence have increased with the distribution of a statement by the Saudi ambassador here criticizing the FBI director, Louis J. Freeh, and Attorney General Janet Reno for their comments to reporters last week about the sensitive case.

Last week, Mr. Freeh and Ms. Reno said the Saudis had withheld crucial information about who was responsible for the June 25 bombing of the Khobar Towers housing complex in Saudi Arabia that killed 19 U.S. airmen.

Before that, all Clinton administration officials who spoke publicly about the case had said that Saudi authorities were cooperating with the FBI.

The issue is sensitive because Saudi Arabia is a key economic and political ally of the United States, and the presence of U.S. troops there has subjected the kingdom's rulers to fierce criticism from religious conservatives.

"With regard to security questions, the subject is important and sensitive," the Saudi ambassador, Prince Bandar ibn Sultan, said in a statement. "It cannot be worked out through the media."

He did not name Mr. Freeh or Ms. Reno, but Saudi officials said they were the obvious targets.

What American officials have long feared privately is that the Khobar Towers investigation would end the same way as the earlier investigation of a bombing of a U.S. facility in Riyadh. In that case, four suspects were beheaded before U.S. investigators ever spoke to them.

While some suspects in the bombing have been in Saudi custody for months, Prince Bandar said his government "is not accusing or absolving anyone yet as to the tragic events in its Eastern Province last summer."

"It would be premature to accuse or absolve anyone until the investigation is completed," he said.

Prince Bandar's statement did not deny Mr. Freeh's accusations nor did it commit the Saudi government to any particular course of action. It reasserted that "Saudi security agencies are responsible for any crime that takes place on sovereign Saudi soil and are doing a superb job."

It said that "excellent working relations exist between officials of both countries at all levels."

"Where there might be a difference on a particular point," it added, "we still have the same underlying objective."

Mr. Freeh, who has made three trips to Saudi Arabia to discuss the case, has received briefings on the investigation and some forensic and wiretap evidence, but American officials have not had access to any suspects.

One U.S. official said it was unlikely that Saudi security forces would ever give the FBI unfettered access to suspects, any more than the FBI would give such access to the Saudis if the crime had been committed in the United States.

ISRAEL: *Searching for Common Ground, Lawmakers Propose a Palestinian 'Entity'*

Continued from Page 1

putes among Israelis over peace with the Palestinians pointed to the need for a national consensus on where the final-status talks should be headed.

To that end, the document sets out several basic principles. They include the necessity of continuing negotiations with the Palestinians and the recognition that a permanent agreement would include the establishment of a Palestinian "entity," the recognition of Israel's right to defend itself and a commitment not to uproot any Jewish settlement on occupied lands.

The definition of the Palestinian entity was one of several points on which the two sides failed to agree. The document noted that according to one "opinion," it would be an enlarged "autonomy," and according to another, Mr. Beilin's, a state.

All agreed, however, that it would not have an army, nor the power to make agreements that could threaten Israel. And they agreed that if the Palestinians agreed to these limitations, the entity's "self-determination will be recognized." That formulation went beyond what current Likud guidelines would allow, though officials of Prime Minister Benjamin Netanyahu's government have discussed various models under which the Palestinians could call their entity a state, but with limited sovereignty.

The proposal also ruled out a return to the borders that existed before the 1967 Middle East War, in which the entire West Bank, Gaza Strip and East Jerusalem were under Arab — then Jordanian — control. It proposed annexing the majority of Jewish settlements to Israel, and negotiating arrangements for outlying settlements by which their residents would retain Israeli citizenship and safe passage to Israel proper.

The Palestinians' formal position is that all occupied lands must be turned over to them, but the notion of consolidating groups of settlements and annexing them to Israel has long been discussed as a solution for their future.

The proposals followed the position of both major parties that Jerusalem would remain the unified capital of Israel.

But the document also declared that Israel "will recognize the governing center of the Palestinian entity which will be within the borders of the entity and outside the existing municipal borders of Jerusalem." It proposed that Muslim and Christian holy places in Jerusalem "will be granted special status."

The reference to a "governing center" and "existing municipal borders" left open the possibility that the Palestinians would proclaim Arab suburbs of Jerusalem as their capital.

On another sensitive issue, the future of the millions of Palestinian refugees, the document reiterated that Israel would retain the right to prevent them from returning to Israeli territory.

But it proposed leaving to future negotiations whether refugees would be allowed to settle in the Palestinian areas. More important, it proposed creating an international organization, "in which Israel will play an important role, with the goal of financing and carrying out projects for compensation and rehabilitation of the refugees in their places."

Broad as the proposals are, they mark a considerable advance beyond what either party has previously agreed to. Especially for Likud, whose ideology holds the West Bank to be an integral part of the biblical land of Israel.

In fact, several members of the group from each party disassociated themselves from the final draft.

On the Likud side, some reportedly left over differences on the degree of control Israel would retain in the Palestinian entity.

On the Labor side, members associated politically with Ehud Barak, the leading contender to succeed Shimon Peres as party chief — and thus Mr. Beilin's strongest competitor for the job — declined to endorse the document. Speaking in Paris, he criticized the project because, he said, it weakened Labor's role as the opposition party.

But Mr. Beilin, who was active in the secret negotiations that led to the Oslo accords, said of the paper: "In the worst case, it will still be a point of reference, a basis for the permanent solution. It might speed up the process."

LASER: *Team at MIT Succeeds in Harnessing 'Waves of Matter'*

Continued from Page 1

and magnetic fields. For example, geologists use gravity meters to reveal tiny alterations in the Earth's surface attraction that indicate the possible presence of buried oil. Military systems employ highly sensitive magnetic-field detectors to find submarines underwater. Using atom beams for such devices would improve their accuracy enormously.

Other uses of atom-scale interference, said Mr. Phillips, include superbly sensitive distance meters and gyroscopes.

A super-thin beam of focused matter, Mr. Ketterle said, might be used to "write on a surface directly with individual atoms," perhaps making possible incredibly small electronic circuits or other structures.

"It's a fantastic result," said Randall Hulet of Rice University. His laboratory is one of only three in the world that have been able to produce a recently discovered state of matter called a Bose-Einstein condensate, or BEC, which is necessary for the atom laser.

In a BEC, atoms are cooled to within a few billionths of a degree of absolute zero, at which point they begin to behave somewhat like light waves.

"Although we all thought that an atom laser was possible" in that condition, Mr. Hulet said, "it wasn't clear that it could be made to work."

What makes it work is one of the quirks of quantum mechanics, the science of matter on the smallest scale. In that realm, everything in nature has two complementary identities, one as a particle and one as a wave.

That is a fairly familiar concept for light. But matter also has a wave aspect, a phenomenon predicted by Louis de Broglie 70 years ago. The French theoretician calculated that any object would demonstrate wavelike properties, and that such "matter waves" would have wavelengths that became longer as the object's speed became smaller.

Seventy years ago, Albert Einstein suggested — based on research by the renowned Indian physicist Satyendra Nath Bose — that if certain atoms got cold enough, the waveform of each atom would get so large that it would overlap its neighbors. All the atoms would merge or "condense" into a sort of amalgamated "superatom" at the lowest possible energy state.

That is the Bose-Einstein condensate, which scientists at the University of Colorado and National Institute of Standards and Technology achieved for the first time in mid-1995 by capturing and chilling atoms in a high-vacuum magnetic "trap." Mr. Ketterle's group at MIT did it a few months later, followed by the Rice team in 1996.

In theory, all the atoms in the BEC occupy exactly the same quantum state — that is, have identical characteristics, just as each photon in a laser beam has precisely the same strength and frequency (or color). What makes the laser beam so powerful, however, is that the wave of each identical photon is exactly in phase with every other wave. That synchronized condition is called "coherence."

Researchers on BEC had long suspected that, if they could eject a few of the presumably quantum-identical atoms from the condensate, the atoms would form coherent waves. The MIT team discovered how to do that by bombarding the condensate with radio waves.

As they report in Sunday's issue of Physical Review Letters, the waves reversed the magnetic spin on a small fraction of the BEC atoms, causing them to be expelled from the trap and to fly off in the same direction in pulses of 100,000 to several million atoms each.

ALBANIA: *Rioting Escalates*

Continued from Page 1

pyramid investment operations. Ten privately run savings plans were in operation in Albania, and protests began to spread when two of them were declared bankrupt.

Many Albanians blame the government for failing to regulate the funds, which lured thousands of investors with promises of high returns for a small outlay. Some Albanians sold their homes, farms and livestock to pour all their money into the plans.

The government has frozen $255 million in the accounts of two investment-plans, the Xhafferi and Populli institutions.

In a televised speech earlier Sunday, Prime Minister Aleksander Meksi promised that his government would start paying back investors' deposits Feb. 5.

But the pledge did little to quell the unrest. Opposition leaders denounced the government Sunday and accused it of exploiting the plans for its own gain. "We shall overthrow the government today at all costs," a protester said.

(Reuters, AFP)

YEN: *Watching for Clues*

Continued from Page 1

level of the yen. He also backed a proposed abolition of taxes levied on securities transactions, and said a schedule for Japan's long-awaited Big Bang deregulation of markets and the economy would be ready this summer.

"The talk that there is a difference of opinion among the monetary authorities of Japan, United States and Germany over foreign exchange rates is an uninformed theory," said Mr. Sakakibara, who is respected for his role in halting the yen's surge after it reached a postwar high of 80 to the dollar in April 1995.

In recent weeks, Japanese authorities fretting about the impact of a weak yen on the nation's economy have often seemed at odds with their U.S. and European counterparts. American officials have said repeatedly that a strong dollar is in U.S. interests because it cuts inflationary pressures in the United States. European officials have backed a strong dollar because it raises the competitiveness in the United States of goods made in Europe, where economic growth is weak and unemployment is at record levels.

But Seirokyu Kajiyama, a government spokesman who rarely comments on the exchange rate, said late last week: "There is a view in Japan and the United States that 120 yen is the permissible limit." He said he was convinced that the yen would not fall sharply below 120 to the dollar.

Clarification of what Tokyo wants will have important market repercussions, regardless of whether the objective is to arrest the yen's decline or to permit further erosion.

If the intent is to halt the decline — which Japan can afford because its foreign reserves total $218 billion — the move could unnerve world bond markets. The highly leveraged U.S. hedge funds have borrowed substantial amounts of low-cost yen to finance purchases of higher-yielding U.S. bonds. These speculators have made enormous profits, not only on the nearly 5.5 percentage point difference between their borrowing costs and investment income, but also on the decline of the yen. Any indication that the yen has bottomed would be an invitation to close out the positions — resulting in a sell-off of the U.S. paper.

Similarly, if the Japanese central bank runs down its reserves to prevent the yen from declining, it would have to sell its holdings of U.S. Treasury bonds. Rising bond yields as prices fall would have a spillover effect in Europe, as was already seen at the end of last week, and on Wall Street.

On the other hand, if the Japanese do not confirm their intention to halt the yen's decline, "there is a risk of sending the market the wrong signal," said Neil MacKinnon at Citibank in London. An attitude of "benign neglect" could fuel a yen sell-off, pushing the exchange rate to 130 yen to the dollar and setting the stage for a currency crisis, he said.

A weaker yen could cause a meltdown in the already weak stock market if the nonresident investors who have been big buyers of shares over the past year were to move out en masse, said Richard Koo, an analyst at Nomura Research in Tokyo. A further substantial decline of stock prices would cause havoc for the still ailing banking sector, which includes part of the unrealized capital gains on equity holdings as capital.

Mr. Koo noted that government officials have abandoned their traditional view of relying on a weak yen to spur growth through a boom in exports. "Officials realize how destructive a weak yen could be," he said, adding that plans to raise taxes to cut the fiscal deficit might have to be delayed to prevent the modest economic recovery now underway from being snuffed out.

But the Japanese government has insisted that it will not delay raising consumption taxes and ending other special tax credits, now planned for April.

On Sunday, Mr. Sakakibara stressed the government's commitment to deregulate financial markets by 2001. He also said that a schedule for Japan's long-awaited Big Bang deregulation would be released this summer. It was the first time an official had set a date for a schedule for the package Prime Minister Ryutaro Hashimoto announced last year.

KOHL: *Party Mavericks' Dissension Unleashes Succession Debate*

Continued from Page 1

Frankfurter Allgemeine Zeitung, a consistent supporter of the chancellor, reported that the public attack by Mr. Wulff and his friends broke a party law of silence protecting Mr. Kohl from virtually all challenge. The party is now afraid of losing power, it said, with a fermentation process bubbling up under the surface.

"The question of keeping power isn't being asked abstractly, but by the people who are going to deal with the future," the newspaper wrote. "Young CDU politicians want to be elected again in 1998."

To the left, the weekly Die Zeit, whose publishers include Helmut Schmidt, the most recent Social Democratic chancellor, argued that Mr. Kohl should leave office and that a grand coalition of the two main parties should take joint control of affairs as soon as possible for the sake of the nation.

"We've been so fixed in ritual here that not everybody has been able to grasp what's taken place," said Robert Leicht, Die Zeit's editor, who urged a change in chancellors. "The succession debate is open. Politics is coming back. Schaeuble succeeded in encouraging the successor generation."

Mr. Schaeuble, 54, has long been regarded as Mr. Kohl's personal choice to follow him. It was widely assumed that it was with the chancellor's approval that he gave an interview to Stern magazine, saying that he probably could not resist the temptation to run for chancellor and acknowledging as a potential issue his confinement to a wheelchair — the result of gunshot wounds during in an attack on him when he served as interior minister.

The interview seemed aimed to demarcating Mr. Schaeuble's terrain as front-runner while strengthening his hand in the party.

But Mr. Kohl could hardly have imagined that Mr. Schaeuble's interview would be telescoped into Mr. Wulff's remarks, and interpreted, in this context, as part of a challenge to the chancellor. The new tax plan that Mr. Wulff attacked had been promoted as the legislative gem of the century, a reform that would simplify every German wage-earner's life and free up money for investment and new jobs. But the package also calls for increasing the value-added tax rate.

Mr. Wulff's fire, aimed at Finance Minister Theo Waigel, went directly to Mr. Kohl and the perception that the country is not coping with its structural problems.

The motor for the criticism of Mr. Kohl seems to be concentrated in the under-40 segment of his party rather than in the electorate at large. The chancellor's credibility is largely in personal currency rather than in terms of policy, one party official said, explaining that some young politicians saw no gain in attaching themselves to ineffective programs symbolized by a man who would be gone from the scene by the time they reached midcareer.

So far, the discussion has brought little response from the Social Democrats, whose standing in opinion surveys has pulled up to near-even levels with the Christian Democrats.

But their leading candidate for chancellor, Gerhard Schroeder, the premier of Lower Saxony, has sought to contrast himself with Mr. Kohl by taking an increasingly skeptical position on the euro, the planned common European currency.

It is on this issue, the most sensitive along with unemployment in Germany, that the new mood within the governing party could have an effect on policy. If the climate of outspoken criticism and speculation on his succession develops, Mr. Kohl could confront much greater resistance to the single currency than he has experienced so far from within his own ranks.

This, in turn, might stiffen German attitudes on the introduction of the currency in relation to its partners within Europe. In unusual developments, indicative of the changing mood, Mr. Kohl was described as coming under extremely sharp criticism at an party parliamentary group meeting for forcing the pace toward the currency union. At another such meeting, reporters were told, the chancellor bitterly shouted at Labor Minister Norbert Bluem when he complained about the tax package.

Under the circumstances, Mr. Kohl's friends said, his best card toward silencing the new internal opposition would be declaring now his candidacy for re-election in 1998 — a step no one knows if he wants to take.

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Herald Tribune

Raise Taxes, Politicians Say in Bonn

Higher Indirect Levies To Fund Pension Plan

Reuters

BONN — Leading politicians from Chancellor Helmut Kohl's governing coalition have called for an increase in a wide range of indirect German taxes to finance income-tax reductions and the ailing pension system.

The demands, made Saturday, come just days after the government presented a sharply criticized revision in the income-tax system that envisages tax cuts of 82 billion Deutsche marks ($50.25 billion) to be financed by scrapping tax breaks and raising value-added taxes.

The calls for higher taxes on gasoline, tobacco and alcohol aim to ensure that a planned revision of pension insurance does not contain hidden payments to finance the income-tax cuts.

Labor Minister Norbert Bluem, who is expected to present the new pension plan to the cabinet this week, said he would do so only if it were clear the pension fund would no longer have to pay for services unrelated to pensions.

"This has to be cleared up," he told the weekly Bild am Sonntag newspaper. "It is now or never. I will not present a reform without an answer to the question of what taxpayers and people paying into pension plans will have to pay for in the future."

Mr. Bluem received immediate support from the secretary-general of Mr. Kohl's Christian Democratic Union, Peter Hintze.

"We will quickly present a concept that secures future pensions and creates the relationship between the tax system and the pension system as desired by Norbert Bluem," he told a state party congress in Brandenburg.

Michael Glos, parliamentary leader of the Christian Social Union, the Christian Democrats' Bavarian counterpart, suggested raising some taxes as compensation.

"One way would be to close the gap with other indirect taxes," he told the newsmagazine Der Spiegel.

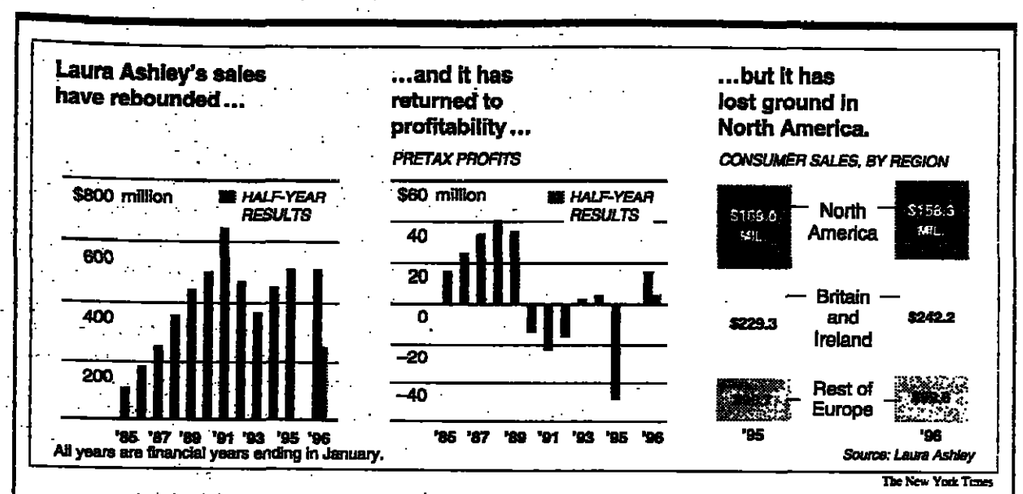
■ Unionist Backs Limit on Aliens

Klaus Zwickel, the head of Germany's largest union, IG Metall, has added his voice to calls by conservative politicians for strict limits on foreign workers, a magazine said, Reuters reported.

"I really think we must come to agreed quotas within an immigration law to relieve the German labor market and to diffuse social tension," Mr. Zwickel told Focus, according to an article that will be published Monday.

Major parties and unions had refrained from directly linking the unemployment rate, which rose to a post-war record of 10.8 percent in December, to the 8 million foreign residents, in part because they wanted to avoid accusations of stirring up racial unrest.

But the Christian Social Union called this month for strict limits on foreign workers as part of a strategy to cut unemployment. Finance Minister Theo Waigel, head of the conservative party, had said it was "grotesque" that millions of Germans were unemployed while so many foreigners were working in the country.



The New York Times

Laura Ashley's No-Frills Makeover

By Sarah Lyall
New York Times Service

LONDON — When Laura Ashley died in 1985, she left behind a company that was, in many ways, a victim of her success. So closely was it identified with her signature products — loose-fitting, high-necked Victorian dresses and ultra-busy chintz fabrics — that the company seemed stuck in a frilly rut, unsure of how to move forward with new fashions and new tastes.

Executives came and went at a dizzying rate, and the company seemed unable to regain the niche its founder had carved out or to find a new one. Reflecting the lack of direction, the financial fortunes of Laura Ashley PLC eventually plummeted, culminating in a $53.7 million restructuring charge and a $48.3 million loss for the year ended January 1995.

For more than a year and a half now, the London-based company has been pinning its hopes on a new chief executive, Ann Iverson, an American who is something of a turnaround specialist, having helped to resuscitate the two remaining divisions of Storehouse PLC, the British retail group begun by Terence Conran.

The early returns on Ms. Iverson's latest makeover are promising, though not so strong as to call it a sure thing. The company is solidly profitable again, and Ashley stock, which was at 95 pence ($1.55) when Ms. Iverson arrived, closed Friday at 166 pence.

But sales are still sputtering in both the United States and Europe. Although Ms. Iverson is changing not only the Ashley look but also the size of its stores and its product mix, some analysts say she has not yet gone far enough to raise the company's profile to its old heights.

Whichever way things turn out, there will be plenty of lessons for others to learn. Ms. Iverson is wrestling, after all, with a basic retailing puzzle: how to take a high-profile brand, whose product has grown tired and whose appeal has narrowed, and move it forward without leaving its well-known identity behind.

"Repositioning is actually much harder than positioning in the first place," said Isaac Lagnado, president of Tactical Retail Solutions, a consulting firm based in New York. He cited the Banana Republic chain — which has evolved from a quirky, khaki-filled shop aimed at people going on vacation to a retailer with a range of elegant, tailored clothing — as an example of a successful repositioning.

"You have to keep the best of what you have, but you also have to grow," he said. "Laura Ashley is almost iconic, and it's facing a huge challenge."

Confronting the challenge, Ms. Iverson, 52, who has also worked as a senior executive at two landmark U.S. retailers — Bloomingdale's and Bonwit Teller — cites the successful efforts of Banana Republic's parent, Gap Inc., in evolving past its early image as a jeans shop into a chic purveyor of casual wear.

"It's probably one of the best examples of developing a brand," she said in her London office, just redecorated with new Laura Ashley fabrics, something she does twice a year. "It is highly focused, it consistently delivers an image, and you know who they are and that you will consistently be offered a fresh, new range of products."

She applied some of those principles to the two divisions at Storehouse: BhS PLC, a chain of small department stores, and Mothercare, a parent-and-child retailer that sells clothes, furniture and toys. In particular, she poured life, and profitability, back into Mothercare by identifying who the customers were — mostly young women with young children — and making sure to deliver what they wanted: a less-bewildering array of goods, readily identifiable products and user-friendly stores.

Ms. Iverson is trying to use the same methods at Laura Ashley. That means paring down and modernizing the company's merchandise to appeal to women who want feminine, not frumpy, clothes. It also means firming up its flabby business practices, shifting its sales mix away from clothing and toward home furnishings with their wider profit margins, and — perhaps most important — giving Laura Ashley a new image to replace its outdated one.

"What I found when I arrived was a brilliant brand with tremendous customer loyalty and opportunities and potential, but internally a business mess," she said. "The brand had lost its way from a design direction point of view after Laura Ashley died, and no one had stood up and identified what the company's point of view or identity was supposed to be."

With hundreds of stores and concessions scattered around the world, and different merchandise sold in different places, she said, the company "didn't have a common product, a common store design layout or common graphics. It had a lot of very confused customers."

Currency Criteria 'An Arduous Task'

Italy Is Determined to Meet Goals For Euro, Treasury Minister Says

Compiled by Our Staff From Dispatches

MILAN — Italy is ready to take further steps to cut its deficit to join a single European currency but it would be an "arduous task" to meet the criteria this year, the treasury minister said Sunday.

Carlo Azeglio Ciampi said Italy was "working with determination," to cut its budget deficit to 3 percent of gross domestic product as required by the Maastricht treaty on European integration.

"Italy is already more credible today than yesterday," he said. "It has decisively beaten inflation. It has earned a strong fall of interest rates in the market, and its currency is maintaining itself without problems at its central parity."

But Antonio Fazio, the governor of the Bank of Italy, said that Italian economic activity was "unsatisfactory" and that the economic slowdown under way in 1996 had worsened at the end of the year.

GDP growth in 1997 would be a little more than 1 percent, Mr. Fazio said, based on economic data available so far.

Prime Minister Romano Prodi said Saturday at a public meeting in Bologna that the economy needed "a dose of vitamins."

Mr. Prodi said the government had already begun or planned a number of initiatives designed to kick-start growth, including measures to stimulate the construction and car industries and reforms of the school, military service and justice systems.

"I started my job eight months ago, and we're already further ahead than 34 governments," Mr. Prodi said, a reference to Italy's tradition of chronically unstable politics. His center-left Olive Tree coalition government is the 55th since World War II.

"The Olive Tree government works seriously, well, calmly and does not fight," said Mr. Prodi, adding that he was renewing Italy "for real."

Italy, like other European nations, is trying to reduce to 3 percent its share of deficit to GDP to qualify for monetary union at its outset Jan. 1, 1999.

On Dec. 22, Parliament passed the 1997 budget bill, which includes 62.50 trillion lire ($39.30 billion) in budget cuts. An additional deficit-trimming, midyear budget is expected to try to further reduce the deficit ratio.

Mr. Fazio said Saturday that the budget deficit must be trimmed through spending cuts. Italy ran budget deficits equal to 7.4 percent of GDP in the past two years.

Mr. Ciampi said Sunday that interest rates must be further reduced to help the government achieve its goal. Lower rates, he said, would "create less strain on the public sector, the effects of which will spread to the rest of the economy."

The treasury minister and the central banker were speaking at a meeting of the Italian Forex Club in Milan.

Mr. Fazio cut Italy's benchmark discount rate 0.75 percentage point, to 6.75 percent, on Tuesday. But even after the reduction, Italian interest rates remain among the highest in the European Union. *(Bloomberg, Reuters)*

■ U.K. Restates Option on Euro

Kenneth Clarke, the chancellor of the Exchequer, denied Sunday that Britain's policy had hardened against the planned single currency and said the country's option to join remained intact, news agencies reported from London.

Mr. Clarke told the BBC he thought it highly unlikely that monetary union would start as scheduled on Jan. 1, 1999, adding that the timetable should be delayed if countries could not meet convergence criteria.

If countries were not genuinely converging, he warned, they would be taking risks by going ahead.

Mr. Clarke said he would not rule out Britain's joining the single currency and said it was "not impossible" it would do so in 1999.

But Prime Minister John Major said the prospect of a British government's losing control over domestic interest rates was an argument against ever joining a single currency.

During its interview with Mr. Clarke, the BBC quoted extracts of an interview with Mr. Major to be published in the U.S. magazine New Yorker, including comments on selling the euro in Parliament.

"I wouldn't like to be the chancellor of the Exchequer who went to it and said, 'Well, I no longer have any control over interest rates. I am sorry they have gone up 3 percent, but it's nothing to do with me,'" Mr. Major was quoted as saying. *(Bloomberg, Reuters)*

Loan Plan Aims to Help Turn the Poor Into Entrepreneurs

By Paul Lewis
New York Times Service

UNITED NATIONS — A global campaign to help poor people by encouraging them to start small businesses is expected to be endorsed by President Bill Clinton, several other leaders and leading development agencies at a meeting in Washington early next month.

Private anti-poverty groups have drawn up a plan that calls for $21.6 billion to be advanced to nearly 100 million poor people over the next eight years. The money would be in the form of small loans to finance entrepreneurial activities such as small-scale farming or trade.

Among the plan's backers are major international aid agencies, banks, corporations and foundations. They believe such small loans — often no more than a few hundred dollars — offer the best way to help the roughly 2.5 billion people worldwide now living in abject poverty. Nearly two-thirds of those people are women and children.

Hillary Rodham Clinton will be co-chairman of the meeting, scheduled for Feb. 2 to 4, with Queen Sofia of Spain and Tsutomu Hata, a former prime minister of Japan. Speakers are to include the heads of the World Bank and the United Nations Development Program.

Nancy Barry of Women's World Banking, an organization promoting credit for poor women and one of the meeting's backers, said the move sought to reallocate existing aid to "microcredit" programs. "They are more efficient than public-sector spending because once the poor have incomes they can look after themselves," she said.

Practically no one doubts that giving the poor small credits, normally secured by no more than a collective pledge from neighbors that they will be repaid, can be an important tool to reduce poverty. Such credit plans, which had about a million clients in 1985, now have about 10 million.

But critics contend that the meeting's backers are making exaggerated claims that raise unrealistic expectations.

They say "microcredit," as such small loans are known, appeals to politicians by promising to reduce poverty without the pain of big aid budgets. Most microcredit organizations are financially nonviable and require subsidies, they say.

They fear that the groundswell of interest in microcredit will divert scarce aid funds from more mundane development goals like health and education improvement.

CYBERSCAPE

Gulf Nation Offers Web-Censor Service

Reuters

DUBAI, United Arab Emirates — The monopoly Internet provider in the United Arab Emirates has introduced a service to censor World Wide Web sites that breach local moral values and traditions.

Executives from the state telecommunications company Etisalat said the new Proxy Service would be compulsory for the country's 9,669 subscribers, who will have to configure their Web browsers by Feb. 2.

"The service was launched today as part of our efforts to improve the Internet service to our subscribers after lengthy study and research," a Etisalat executive said Saturday. "We were working on it before some official statements were made on the need to control access to some sites on the service."

The move follows repeated calls to regulate access to the Internet in the conservative Gulf region, where some are worried about the spread of pornography as well as religious and political material through the global network of interlinked computers.

Last year Dubai's chief of police, Major General Dhahi Khalfan Tamim, created a rare public uproar by saying that the Information Ministry and the police, rather that Etisalat, should be authorized to issue Internet licenses, because it is the job of those agencies to monitor data coming into the country and to maintain security.

Telecommunications analysts said the Proxy Service would not be "fully watertight," but that it would help block access to known and unwanted sites, a list of which could be updated continually.

The service will be programmed in advance with the Internet addresses to be blocked off, industry sources said, but it will be unable to block access if the addresses of prohibited sites are changed, as frequently happens.

Etisalat said it would disconnect customers who abused its Internet services and violated "order and clear laws."

■ Germany Drops Case

Prosecutors in Munich have decided not to press charges against Felix Somm, Central Europe manager for the U.S.-based on-line service provider CompuServe Corp., for allegedly distributing pornographic materials on the Internet, Bloomberg News reported from Munich.

"Not only CompuServe, but the whole industry, can breathe a sigh of relief," Mr. Somm said Saturday.

Mr. Somm, who is responsible for CompuServe's operations in Germany, Switzerland and Austria, said of the decision by prosecutors on Friday that "the future development of Germany as an on-line center will be positively influenced."

CompuServe was first ordered by German authorities to block Internet sites containing sexually explicit material 13 months ago. German prosecutors told CompuServe then that it was breaking German law by allowing minors and adults access to child pornography, among other material.

CompuServe responded by saying it would voluntarily block customer access worldwide to more than 200 sexually explicit language-only newsgroups selected by German officials.

CompuServe, which is 80 percent owned by H&R Block Inc., had 335,000 subscribers in German-speaking countries as of mid-October, up from 272,000 in April. Mr. Somm said last October that the company planned to double its number of subscribers in German-speaking countries to 600,000.

Internet address: Cyberscape@iht.com.

CURRENCY RATES

Jan. 24

Cross Rates

	$	£	DM	FF	Lire	BF	HF	SK	Yen	C$	Peseta
Amsterdam	1.829	2.981	1.1229	6.331	0.1153*	—	5.4425*	1.5919	1.536*	1.356	1.337*
Brussels	37.39	54.685	20.617	6.7335	2.106*	18.3625	—	29.875	0.2822	24.84	24.59*
Frankfurt	1.5317	2.459	—	0.3265	0.1024*	0.0896	4.8599*	1.1563	1.375*	1.2086	1.1949*
London (s)	1.6286	—	2.4594	8.0337	2.2930.04	2.9540	54.6555	2.2875	193.488	2.1945	223.3925
Madrid	137.328	223.457	84.257	24.981	8.626*	7.5826	4.8868	97.554	115.684*	101.677	—
Milan	1,350.29	2,197.25	828.35	288.54	—	262.62	47.288	1,026.38	12.37	1,178.85	11.587
New York (z)	—	1.629*	1.6284	5.4965	1.899.00	5.4965	33.57	1.486	118.98	1.3488	132.25
Paris	5.4895	8.945	3.373	—	0.3457*	3.0334	0.1836	3.9983	4.8313*	4.8792	4.8985*
Tokyo	113.65	185.05	71.07	21.63	0.747	64.98	3.5473	84.12	—	88.48	0.8869
Toronto	1.2839	2.0914	0.8295	0.2455	0.0848*	0.7381	0.402*	0.94	1.1302*	—	0.9957*
Zurich	1.4465	2.3558	0.9655	0.256	0.0885*	0.7695	4.1672*	—	1.1885*	1.0438	1.0351*
1 ECU	1.1972	0.7347	1.9464	6.527	1.903.15	2.1892	40.172	1.4829	141.984*	1.2547	164.28*
1 SDR	1.4831	0.9035	2.2895	7.7804	2.230.46	2.5645	47.2522	1.9486	167.11	1.4792	192.535

Closings in Amsterdam, London, Milan, New York, Paris, Toronto and Zurich; fixings in other centers.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	255.27	Mex. peso	7.79	S. Afr. rand	4.617
Australian $	1.2853	Hong Kong $	7.7402	N. Zealand $	1.4399	S. Kor. won	854.30
Austrian sch.	11.472	Hung. forint	168.92	Norw. krone	6.5419	Swed. krona	7.2035
Brazil real	1.0435	Indian rupee	35.84	Phil. peso	26.34	Taiwan $	27.46
Chinese yuan	8.3254	Indo. rupiah	2375.0	Polish zloty	2.97	Thai baht	25.83
Czech koruna	27.84	Irish £	0.6241	Port. escudo	163.28	Turkish lira	71.6745
Danish krone	6.2239	Israeli shek.	3.2973	Russ. ruble	.5613.0	UAE dirham	3.6705
Egypt. pound	3.393	Kuw. dinar	0.3012	Saudi riyal	3.75	Venez. bolfv.	476.50
Fin. markka	4.8564	Malay. ring.	2.4863	Sing. $	1.4072		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6276	1.6267	1.6258	Japanese yen	118.15	117.68	117.13
Canadian dollar	1.2453	1.2429	1.2400	Swiss franc	1.4013	1.3974	1.3936
Deutsche mark	1.6241	1.6211	1.6175				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

CURRENCY AND CAPITAL MARKET SERVICES



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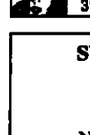
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CAPITAL MARKETS ON MONDAY

Dollar-Denominated Bonds Make a Splash

By Carl Gewirtz
International Herald Tribune

PARIS — The opening quarter is always a fast-running one in the international capital market, and this year is no exception.

New issues to date total $69 billion, data supplied by Salomon Brothers Inc. show — up 23 percent from the year-ago period; and it is poised to top the monthly record of $80 billion set in October.

More unusual than the heavy volume of issues is the percentage denominated in dollars — $31 billion, or 45 percent of total, Salomon data show. In the year-ago period, the dollar's market share was a mere 30 percent.

Part of the explanation for both developments is the record amount of outstanding paper scheduled to mature in the first quarter. Data compiled by the Bank for International Settlements in Basel, Switzerland, show that a record $72 billion worth of bonds are to be redeemed during this period, with dollar-denominated repayments amounting to almost $30 billion, or 41 percent of the total.

The dollar is the flavor of the month. The currency is now on a roll, trading at a 47-month high against the yen and at a 31-month high against the Deutsche mark. This is partly caused by the attractive level of U.S. interest rates. Only Britain, Italy, Australia and New Zealand, among the major markets, offer higher returns.

Under these circumstances, bankers report that continental investors seeking a refuge from the uncertainty surrounding the future single European currency are moving into dollars and pounds.

The move into pounds may already have peaked, bankers say, as the prospect for further currency appreciation looks doubtful. By contrast, with expectations that the Federal Reserve Board will soon raise U.S. interest rates, the outlook for further gains in the dollar are bright.

The expected currency gain would offset any negative impact on securities prices from a rise in money-market rates, analysts report. Moreover, the bulk of the new-dollar offerings are short-dated three-year issues, which are traditionally less vulnerable than long-term paper to changes in official policy.

Nor is it certain that the Fed will act. Market interest rates since the start of the year are up between 0.125 and 0.25 percentage point, depending on maturity, and the dollar is up some 5 percent, on average, against European currencies and nearly 3 percent against the yen. Both interest-rate and currency moves will tend to dampen U.S. growth, which analysts think was running well over a 4 percent annual rate at the end of last year. The figure for the fourth quarter will be announced on Friday.

But analysts are more focused on the employment cost index, scheduled for release Tuesday, for a signal to what the Fed might do at its next policy-making meeting on Feb.4.

U.S. Unemployment Data to Keep Pressure on Treasury Bond Prices

Bridge News

NEW YORK — Economic reports due over the next few weeks that could contain evidence of inflation should keep Treasury bond prices under pressure this week.

The biggest worry lately has been that the fourth-quarter employment cost index, expected Tuesday, could show a sharp rise, traders said. But investors are starting to worry that January jobless data, due Feb. 7, could show a sharp rise in job creation.

The prospect that the dollar's rally against the yen has ended also is causing concern because foreign investors might take profits.

Wednesday's auction of inflation-indexed 10-year bonds is a big question mark as well. Traders worry that if the bond market fails its first attempt at pricing the new securities, hedging of unsold paper could drive prices lower.

Overall, the prospects for unfriendly data and more new securities are seen pushing yields still higher this week. The benchmark 30-year Treasury bond finished Friday at 6.89 percent, up 7 basis points for the week, and some traders think 7 percent is possible in the next few weeks.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Jan. 24. Prices supplied by Telekurs.

Austrian Schilling

Rnk Name	Cpn	Maturity	Price	Yield
204 Austria	5⅛	01/17/07	98.9000	5.6900
247 Austria	6¼	05/31/06	103.5500	6.0400

Belgian Franc

Rnk Name	Cpn	Maturity	Price	Yield
139 Belgium	9	03/28/03	120.7500	7.4500
191 Belgium Olo	7½	07/29/08	112.7000	6.6500

Canadian Dollar

Rnk Name	Cpn	Maturity	Price	Yield
147 Canada	7¼	06/01/03	105.6680	6.8500
174 Canada	7	12/01/06	102.9000	6.8000

Danish Krone

Rnk Name	Cpn	Maturity	Price	Yield
5 Denmark	8	03/15/06	111.1300	7.2000
18 Denmark	9	11/15/00	114.7000	7.8500
24 Denmark	9	11/15/98	108.7300	8.2800
27 Denmark	7	11/15/07	103.1000	6.7900
35 Denmark	7	11/10/24	95.8500	7.3000
40 Denmark	7	12/15/04	105.5800	6.6300
43 Denmark	8	11/15/01	111.8400	7.1500
59 Denmark	8	05/15/03	111.8000	7.1600
75 Denmark	6	12/10/99	104.4000	5.7500
88 Denmark	7	08/15/97	101.6900	6.8800
98 Denmark	6	11/15/02	102.8600	5.8300
108 Denmark	5	08/15/05	93.2000	5.3600
130 Denmark	4	02/15/00	99.7000	4.0100
142 Denmark	7	02/15/98	103.4000	6.7700
190 Denmark	6	02/15/99	104.0500	5.7700

Deutsche Mark

Rnk Name	Cpn	Maturity	Price	Yield
1 Germany	6¼	04/26/06	103.8725	6.0200
2 Germany	6	01/04/07	102.0000	5.8800
3 Germany	8	01/21/02	114.3000	7.0000
4 Germany	6½	10/14/05	105.6220	6.1500
7 Germany	6	01/05/06	102.1700	5.8700
8 Germany	5	08/20/01	102.2850	4.8900
9 Germany	6⅞	05/12/05	108.4900	6.3400
10 Germany	8	07/22/02	114.7900	6.9700
12 Germany	8¼	09/20/01	114.8800	7.1800
13 Germany	5	05/21/01	102.6500	4.8700
14 Treuhand	7½	09/09/04	112.5800	6.6600
15 Germany	7⅜	01/03/05	111.7767	6.6000
16 Treuhand	7⅜	12/02/02	111.8050	6.6000
17 Germany	3½	12/18/98	100.1200	3.5000
19 Germany	6¼	01/04/24	95.8471	6.5200
20 Germany	6	02/16/06	102.1020	5.8800
22 Germany	3½	09/18/98	100.2600	3.4900
23 Treuhand	7⅛	01/29/03	110.4750	6.4500
26 Germany	7½	11/11/04	112.6367	6.6600
28 Treuhand	6⅝	07/09/03	107.6267	6.1600
29 Treuhand	6⅞	06/11/03	108.9800	6.3100
30 Germany	5⅛	11/21/00	103.0960	4.9700
31 Treuhand	6⅝	07/01/99	106.3000	6.0000
32 Germany	5¼	02/21/01	103.3625	5.0800
33 Germany	8⅜	05/21/01	114.9700	7.2800
34 Germany	6½	07/15/03	107.0200	6.0700
36 Germany Tbills	zero	07/18/97	98.6014	2.9500
37 Germany	5⅝	08/22/00	105.3250	5.4600
38 Germany	5½	05/15/00	105.6725	5.5600
39 Germany	9	10/20/00	116.0067	7.7600
41 Germany	8¾	08/20/01	116.7750	7.4900
42 Treuhand	6½	04/23/03	107.1350	6.0700
46 Germany	8½	02/20/01	114.9300	7.4000
47 Germany	8⅞	12/20/00	115.9550	7.6500
49 Treuhand	6¼	03/04/04	105.3000	5.9400
50 Treuhand	7¼	10/01/02	113.4867	6.8300
51 Treuhand	6¾	05/13/04	108.0700	6.2500
52 Germany	8¾	07/20/00	114.7825	7.6200
53 Germany	8¼	07/21/97	102.4400	8.0500
55 Germany	7⅛	12/20/02	110.6533	6.4400
56 Treuhand	6⅛	03/26/98	103.3200	5.9300
58 Treuhand	6	11/12/03	104.2540	5.7600
60 Germany	6½	03/15/00	107.2540	6.0600
61 Treuhand	5	01/14/99	102.9350	4.8600
62 Germany	6¾	04/22/03	108.5050	6.2200
64 Germany	7	12/22/97	103.4100	6.7700
66 Treuhand	6¼	07/29/99	106.2200	5.8800
69 Germany	6⅜	05/20/98	104.0400	6.1300
72 Germany	6¾	09/15/99	107.6400	6.2700
73 Germany	7	01/13/00	108.7440	6.4400
78 Germany	6	06/20/16	95.6075	6.2800
79 Germany	7¼	10/21/02	111.2275	6.5200
81 Germany	6	09/15/03	104.7238	5.7300
83 Germany	5⅜	02/22/99	103.8475	5.1800
84 Germany	6¾	07/15/04	108.1600	6.2400
85 Germany	6⅝	01/20/98	103.3300	6.4100
90 Germany	5¾	05/28/99	104.7800	5.4900
91 Germany	7½	10/20/97	103.1400	7.2700
93 Germany	5¼	10/20/98	103.1600	5.0900
94 Treuhand	5⅝	09/24/98	103.6100	5.4300
95 Germany	7¾	02/21/00	110.9700	6.9800
97 Germany	9	01/22/01	116.6214	7.7200
101 Treuhand	5¾	04/29/99	104.7300	5.4900
104 Treuhand	5	12/17/98	102.8700	4.8600
105 Treuhand	6⅛	06/25/98	103.9000	5.9000
106 Germany	5¾	08/20/98	103.7200	5.5400
107 Germany	8	09/22/97	103.1300	7.7600
112 Germany	8½	08/21/00	114.1700	7.4500
115 Germany	6⅞	12/02/98	106.1300	6.4800
119 Germany	5¼	02/25/98	102.1700	5.1400
124 Germany	6⅛	05/20/99	105.6500	5.8000
128 Treuhand	7	11/25/99	108.5433	6.4500
131 Germany	5¼	11/20/97	101.7100	5.1600
135 Germany	8	03/20/97	100.7200	7.9400
150 Germany	7¼	10/20/97	102.9600	7.0400
152 Germany	5¾	08/20/97	101.4600	5.6700
154 Germany	2.995	09/30/04	99.1700	3.0200
155 EIB	6	10/22/03	104.3556	5.7500
156 DSL Fin	6	01/15/07	98.1568	6.1100
160 BA Credit Card	6	11/15/05	102.7583	5.8400
164 Germany	6⅞	02/24/99	106.6857	6.4400
167 Greece	6¾	11/13/06	102.5500	6.5800
169 Germany	6	02/20/98	102.9300	5.8300
184 Austria	6½	01/10/24	97.9000	6.6400
192 Germany	7¼	01/20/00	109.4540	6.6200
194 Germany	2.90	04/06/00	99.6600	2.9100
203 TVA	6⅜	09/18/06	103.2800	6.1700
205 German States	6¼	08/21/06	102.3400	6.1100
207 Germany	6¼	02/20/98	103.1600	6.0600
212 Denmark	5	10/16/01	101.8500	4.9100
222 Germany Tbills	zero	04/18/97	99.3417	2.8800
226 Germany	8¾	05/22/00	114.4500	7.6500
233 World Bank	7⅛	04/12/05	109.5500	6.5000
242 NordrheinW Ld	5¾	05/14/02	104.2500	5.5200

Dutch Guilder

Rnk Name	Cpn	Maturity	Price	Yield
25 Netherlands	6¼	07/15/98	104.1100	6.0000
45 Netherlands	6	01/15/06	103.0500	5.8200
70 Netherlands	5¾	09/15/02	104.2500	5.5200
77 Netherlands	8¼	09/15/01	117.2000	7.4700
86 Netherlands	8¼	02/15/00	112.1500	7.3600
87 Netherlands	9	01/15/01	116.7000	7.7100
92 Netherlands	9	05/15/00	115.0500	7.8200
99 Netherlands	5¾	01/15/04	103.0000	5.5800
109 Netherlands	7	03/15/99	106.9500	6.5500
111 Netherlands	7	06/15/05	109.9000	6.3700
114 Netherlands	6¾	11/15/05	108.1500	6.2400
117 Netherlands	7½	01/15/23	113.9000	6.5800
118 Netherlands	8¼	06/15/02	116¼	7.1000
120 Netherlands	7¼	10/01/04	111¼	6.4900
123 Netherlands	8¼	02/15/07	119.5500	6.9000
143 Netherlands	7½	04/15/10	114.8000	6.5300
149 Netherlands	6½	04/15/03	107.8000	6.0300
162 Netherlands	7¾	03/01/05	114.8500	6.7500
178 Netherlands	7½	06/15/99	108.6200	6.9000
181 Netherlands	8½	03/15/01	115.1800	7.3800
185 Netherlands	8¾	05/01/00	114.1000	7.6700
186 Netherlands	7	02/15/03	110.5500	6.3300
213 Netherlands	7½	11/15/99	109.5500	6.8500
215 Netherlands	9	07/01/00	115.3500	7.8000
218 Netherlands	7¾	01/15/00	110.5500	7.0100
225 Netherlands	6½	01/15/99	105.6500	6.1500
230 Netherlands	8¼	02/15/02	115.8500	7.1200
235 Netherlands	6½	07/15/98	104.4000	6.2300

ECU

Rnk Name	Cpn	Maturity	Price	Yield
71 France OAT	7	04/25/06	107.6000	6.5100
127 France OAT	7½	04/25/05	111.4000	6.7300
133 France B.T.A.N.	6	03/16/01	104.9900	5.7100
141 France BTAN	5	03/16/99	101.9300	4.9100
146 UK T-note	5	01/26/99	101.5000	4.9300
148 Britain	9⅛	02/21/01	116.2000	7.8500
157 France OAT	6	04/25/04	102.7000	5.8400
180 France OAT	9½	04/25/00	114.5700	8.2900
183 France OAT	6¾	04/25/02	107.7500	6.2600
193 France OAT	8¼	04/25/22	115⅝	7.1500
214 France BTAN	7¼	03/16/98	103.5500	7.0000
244 CCCE	4⅛	02/26/06	99.7100	4.0700

Finnish Markka

Rnk Name	Cpn	Maturity	Price	Yield
179 Finland Serial s	7¼	04/18/06	108.5991	6.6800

French Franc

Rnk Name	Cpn	Maturity	Price	Yield
116 France OAT	7¼	04/25/06	112.6200	6.4400
159 France BTAN	7	10/12/00	109.8900	6.3700
161 France B.T.A.N.	4½	10/12/98	101.8400	4.4200
170 France OAT	7½	04/25/05	114.1800	6.5700
175 France OAT	6½	10/25/06	107.0100	6.0700
188 France B.T.A.N.	5½	10/12/01	104.3500	5.2700
229 France OAT	8½	11/25/02	118.8500	7.1500
245 France OAT	5½	04/25/04	102.3400	5.3700

Irish Punt

Rnk Name	Cpn	Maturity	Price	Yield
236 Ireland	6½	10/18/01	103.1000	6.3000

Italian Lira

Rnk Name	Cpn	Maturity	Price	Yield
102 Deutsche Bk Fin	zero	01/20/32	8.0000	7.4800

Rnk Name	Cpn	Maturity	Price	Yield
173 Dresdner Bank	zero	11/20/26	10.1501	7.9700
187 Morgan Gty	zero	01/21/27	12.9000	7.0600

Japanese Yen

Rnk Name	Cpn	Maturity	Price	Yield
172 World Bank	5¼	03/20/02	117⅝	4.4600
196 World Bank	4½	06/20/00	111¼	4.0400
221 World Bank	4¾	12/20/04	117¼	4.0500
228 EIB	3	09/20/06	103.0000	2.9100
234 Fuji Intl	0.25	02/01/02	89.5000	3.3500
248 Italy	3¾	06/08/05	108.6250	3.4500

Norwegian Krona

Rnk Name	Cpn	Maturity	Price	Yield
189 Norway Tbills	4.70	03/19/97	3.3600	139.9000

Spanish Peseta

Rnk Name	Cpn	Maturity	Price	Yield
166 Spain	8.00	05/30/04	109.8390	7.2800
176 Spain	8.40	04/30/01	110.5020	7.6000
209 Spain	8.80	04/30/06	114.6570	7.6800
216 Spain	10.10	02/28/07	116.1670	8.6900
239 Spain	9.40	04/30/99	108.5910	8.6600

Swedish Krona

Rnk Name	Cpn	Maturity	Price	Yield
63 Sweden	11	01/21/99	112.2570	9.8000
100 Sweden 1036	10¼	05/05/00	115.6290	8.8600
182 Sweden	6	02/09/05	97.3010	6.1700
199 Sweden	13	06/15/01	129.0620	10.0700
237 Sweden	6½	10/25/06	98.5620	6.5900

U.S. Dollar

Rnk Name	Cpn	Maturity	Price	Yield
6 Brazil Cap S.L.	4½	04/15/14	81.4882	5.5200
11 Argentina FRN	6⅝	03/29/05	88.1383	7.5200
21 Argentina par L	5¼	03/31/23	64.9870	8.0800
44 Brazil	6½	01/01/01	97.9500	6.6400
48 Mexico	11½	05/15/26	109.6250	10.4900
54 Brazil L	6½	04/15/06	89.9880	7.2200
57 Brazil par ZI	5	04/15/24	64.4510	7.7600
65 Brazil S.L.	6⅝	04/15/12	79.6510	8.2400
67 Venezuela A	6¾	03/31/20	77.8750	8.6700
68 Mexico par A	6¼	12/31/19	75.6563	8.2600
74 Brazil S.ZI	6½	04/15/24	80.1500	8.1100
76 Venezuela	zero	12/18/07	89.4600	-
80 Mexico par B	6¼	12/31/19	75.6010	8.2700
82 Ecuador	3	02/28/15	67.4824	4.4500
89 Mexico	9⅞	01/15/07	102.2500	9.6600
96 Argentina L	6⅝	03/31/23	81.1120	7.8600
103 Bulgaria	6⅞	07/28/11	52.7260	12.6800
110 Brazil S.L.	6⅝	04/15/09	85.1250	7.7100
113 Poland	6½	10/27/24	98.3000	6.6100
121 Italy	6⅞	09/27/23	94.2545	7.2900
122 Mexico	7⅝	08/06/01	100.9000	7.5000
125 Poland	4	10/27/14	84.2000	4.7500
126 Ecuador par	3¼	02/28/25	47.2717	6.8800
129 Mexico A	6.453	12/31/19	91.4760	7.0500
132 Argentina	5⅞	04/01/01	125.7000	4.5200
134 Mexico D	6.352	12/28/19	90.5000	7.0200
136 CADES	5.359	12/10/01	99.7500	5.3700
137 Ford Motor	5⅞	01/17/02	99.7900	5.7000
138 Mexico	11⅜	09/15/16	109.2500	10.4100
140 Britain	5⅝	10/04/01	99.8600	5.3200
144 Brazil Cbond S.L.	4½	04/15/14	85.5387	5.2600
145 Wachovia Bk	7	10/17/08	99.2500	7.0500
151 Finland	5⅞	02/27/06	93.8750	6.2600
153 Russia	9¼	11/27/01	97.5000	9.4900
158 EIB	7⅛	09/18/06	102.6250	6.9400
163 Bulgaria	6⅞	07/28/24	57.3000	11.6700
165 Ecuador	6½	02/28/25	72.9367	8.9100
168 Canada	6½	05/30/01	100.5000	6.4700
171 Argentina	11	10/09/06	105.3750	10.4400
177 EIB	zero	11/06/26	13.0000	7.0800
195 Bulgaria	2¼	07/28/12	39.4750	5.7000
197 BTC Capital	6.344	12/30/26	99.0000	6.4100
198 Argentina	8⅜	12/20/03	95.2500	8.7900
200 Brazil	8⅞	11/05/01	100.7500	8.8100
201 Mydfa Trust	zero	09/15/07	88.1600	-
202 Nigeria	6¼	11/15/20	68.4200	9.1300
206 Fannie Mae	6⅜	01/16/02	99.8750	6.3800
208 Argentaria	6⅜	02/14/06	93.3750	6.8300
210 Panama pdi	6⅞	07/17/16	84.0125	7.8100
211 Argentina	5⅞	09/01/02	110.1000	5.1600
217 Mexico B	6⅜	12/31/19	90.9956	7.0100
219 Ecuador	3	02/28/15	67.7533	4.4300
220 World Bank	6⅜	08/21/06	99.3750	6.6700
223 Venezuela B	6¾	03/31/20	77.9375	8.6600
224 Britain	6¾	07/19/01	101.2500	6.6700
227 IADB	6⅞	09/27/01	101.5000	6.7700
231 Poland par	3	10/27/24	55.8767	5.3700
232 World Bank	5.68	09/27/99	98.8849	5.7400
238 Mexico C	6⅜	12/31/19	91.0035	7.0100
240 Mexico	9¾	02/06/01	104.3750	9.3400
241 Philippines Flx	8¾	10/07/16	102.5000	8.5400
243 Ferrovie Stato	9⅛	07/06/09	117⅝	7.7600
246 Italy B	zero	01/10/01	77.7500	6.5500
249 Argentina	5.646	12/28/99	36.8625	15.3100
250 Std Chartered 3	5.90	12/31/99	86.3700	6.8300

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Banque Francaise du Commerce Exterieur	$100	perpt	¼	99.584	—	Interest will be ¼ over 3-month Libor until 2001, when issue is callable at par, 1½ over until 2006, thereafter 2¼ over. Fungible with outstanding issue, raising total amount to $250 million. Fees 0.50%. Denominations $10,000. (Morgan Stanley Int'l.)
Captiva II Finance	$255	2010	0.26	100.00	—	Over 3-month Libor. Issue to be partially paid in Jan. Feb. and March. Average life 6 years. Fees 0.40%. Denominations $1 million. (Citibank Int'l.)
Commerzbank Overseas Finance	$750	2001	⅛	99.74	—	Over 3-month Libor. Noncallable. Fees 0.15%. (Commerzbank.)
Goldman Sachs Group	$500	2004	¼	99.84	—	Over 3-month Libor. Callable at par in 2000. Fees 0.25%. Denominations $10,000. (Goldman Sachs Int'l.)
NationsBank Capital Trust	$500	2027	0.55	98.49	—	Over 3-month Libor. Callable at par in 2007. Fees not available. (NationsBank Capital Markets.)
Santander Financial Issuances	$150	2007	⅛	99.708	—	Over 3-month Libor. Noncallable. Fees not available. (Salomon Brothers Int'l.)
Merrill Lynch & Co.	DM300	1999	⅟₁₆	99.965	—	Over 3-month Libor. Noncallable. Fees 0.08%. (Merrill Lynch Int'l.)
Bank of Ireland	£200	2009	0.35	99.90	—	Interest will be 0.35 over 3-month Libor until 2004, when issue is callable at par, thereafter 0.85 over. Fees 0.40%. Denominations £100,000. (J.P. Morgan Securities.)
Woolwich Building Society	£150	2012	⅛	99.47	—	Interest will be ⅛ over 3-month Libor until 2007, when issue is callable at par, thereafter 1⅛ over. Fees 0.40%. Denominations £10,000. (CS First Boston.)
SMM Company	ITL450,000	1999	libor	100.00	—	Interest will be the 6-month Libor. Noncallable. Fees not disclosed. Denominations 100 million lire. (J.P. Morgan Securities.)
Fixed-Coupons						
Argentina	$2,000	2017	11⅜	99.416	100.80	Semiannually. Noncallable. Fees 1%. (Merrill Lynch Int'l.)
Banco Safra	$200	2004	8⅝	99¼	—	Semiannually. Redeemable at par in 2004. Fees 0.50%. Denominations $100,000. (UBS.)
Banque Int'le a Luxembourg	$200	2001	6¼	101.24	99.37	Reoffered at 99.85. Noncallable. Fees 1⅞%. (BIL.)
Beta Finance	$250	2000	6¼	100.9075	99.48	Reoffered at 99.72. Noncallable. Fees 1⅞%. (SBC Warburg.)
BNP Pacific Australia	$200	1999	6⅛	100.87	99.80	Reoffered at 99.895. Noncallable. Fees 1⅞%. (BNP.)
Bremer LB Capital Markets	$100	2001	6⅜	101.04	99.45	Reoffered at 99.64. Noncallable. Fees 1⅞%. (Citibank Int'l.)
Denmark	$210	2000	5.72	100.00	—	Semiannually. Noncallable private placement. Fees 1.20%. Denominations $10,000. (IBJ Int'l.)
General Electric Capital Corp.	$150	2002	6¾	101.675	100.00	Reoffered at 100.05. Callable at par in 1999. Fees 1⅞%. (Morgan Stanley Int'l.)
Guinness	$250	2000	6¼	100.924	99.51	Reoffered at 99.749. Noncallable. Fees 1⅞%. (J.P. Morgan Securities.)
Helaba Int'l Finance	$200	2000	6⅛	100.9595	99.48	Reoffered at 99.772. Noncallable. Fees 1⅞%. (Paribas Capital Markets.)
IBM	$250	2000	6¼	100.939	99.51	Reoffered at 99.764. Noncallable. Fees 1⅞%. (SBC Warburg.)
Landwirtschaftliche Rentenbank	$200	2000	6⅛	100.9595	99.45	Reoffered at 99.772. Noncallable. Fees 1⅞%. (ABN-AMRO Hoare Govett.)
LB Schleswig Holstein	$200	2001	6¼	100.906	99.17	Reoffered at 99.506. Noncallable. Fees 1⅞%. (HSBC Markets.)
Oesterreichische Postparkasse	$200	2000	6⅛	101.18	99.27	Reoffered at 99.755. Noncallable. Fees 1⅞%. (Bear Stearns Int'l.)
Perez Companc	$300	2004	9	100.00	—	Semiannually. Noncallable. Fees 0.50%. (Morgan Stanley Int'l.)
Quebec Province	$750	2007	7	99.166	98.51	Semiannually. Noncallable. Fees 0.375%. (Merrill Lynch Int'l.)
Societe Nationale des Chemins de Fer Francais	$250	2002	6½	101.455	—	Reoffered at 99.83. Noncallable. Fees 1⅞%. (Banque Paribas Capital Markets.)
Toyota Motor Credit Corp.	$350	2002	6⅜	101.17	99.29	Reoffered at 99.545. Noncallable. Fees 1⅞%. (Morgan Stanley Int'l.)
Unibanco	$150	2000	8	99.923	—	Noncallable. Fees 0.50%. (SBC Warburg.)
Bertelsmann U.S. Finance	DM200	2002	4½	100.94	—	Noncallable. Fees 2⅛%. (Commerzbank.)
European Investment Bank	DM1,000	2017	zero	28¾	28.60	Yield 6.43%. Noncallable. Proceeds 287 million marks. Fees 0.25%. (CS First Boston.)
McDonald's	DM200	2002	2½	92.725	99.35	Reoffered at 91. Noncallable. Fees 2%. (SBC Warburg.)
BAA	£200	2007	7⅞	99.315	—	Noncallable. Fees 0.35%. (HSBC Markets.)
Bayerische Hypotheken und Wechsel Bank	£100	2000	7	100.77	—	Reoffered at 99.62. Noncallable. Fees 1⅞%. (Societe Generale.)
Daimler-Benz UK	£100	2000	7	100¾	—	Reoffered at 99.60. Noncallable. Fees 1⅞%. Denominations £100,000. (Goldman Sachs Int'l.)
European Bank for Reconstruction and Development	£100	1998	6	100.00	—	Semiannually. Noncallable private placement. Fees 0.50%. (Nikko Europe.)
European Bank for Reconstruction and Development	£300	2000	6.20	100.22	—	Semiannually. Noncallable. Fees 1⅞%. (Nomura Int'l.)
European Investment Bank	£150	2004	6	92.141	—	Noncallable. Fees 0.30%. (HSBC Markets.)
GMAC Int'l Finance	£150	2000	7⅛	100.996	—	Reoffered at 99.846. Noncallable. Fees 1⅞%. (Deutsche Morgan Grenfell.)
Harvard University	£75	2000	6⅞	101.0775	—	Reoffered at 99.89. Noncallable. Fees 1⅞%. (Merrill Lynch Int'l.)
IMI Bank Int'l	£75	2000	7	100.9154	—	Reoffered at 99.7279. Noncallable. Fees 1⅞%. Denominations £100,000. (Barclays de Zoete Wedd.)
Nestle Holdings	£100	2000	6¾	100.7475	—	Reoffered at 99.56. Noncallable. Fees 1⅞%. (SBC Warburg.)
Rabobank Nederland	£150	2000	6¾	100.9875	—	Reoffered at 99.80. Noncallable. Fees 1⅞%. (CS First Boston.)
SBC Jersey	£100	2000	6¾	101.0125	—	Reoffered at 99.825. Noncallable. Fees 1⅞%. (SBC Warburg.)
United Parcel Service	£100	2000	6⅞	101.0775	—	Reoffered at 99.89. Noncallable. Fees 1⅞%. (Merrill Lynch Int'l.)
Council of Europe	FF1,300	2007	4.60	101.55	—	Interest will be 4.60% until 2002, thereafter the TEC-10 index less 0.96. Reoffered at par. Noncallable. Fees 1⅞%. Denominations 1 million francs. (Banque Nationale de Paris.)
Bayerische Hypotheken und Wechsel Bank	ITL300,000	2005	8	100.40	99.35	Interest will be 8% until 2001, when issue is callable at par, thereafter 20% less twice the 12-month Libor. Reoffered at 98.70. Fees 2%. (Banca Commerciale Italiana.)
European Investment Bank	ITL300,000	2000	zero	101.00	99.85	Reoffered at 99¾. Redemption amount at maturity will be linked to the performance of the MIB 30 stock index. Noncallable. Fees 1½%. (Deutsche Morgan Grenfell.)
Rabobank Nederland	ITL250,000	2007	10	101.05	—	Interest will be 10% until 2000, when issue is callable at par, thereafter 19½% less twice the 6-month Libor. Reoffered at 99¾. Fees 2%. (Credito Italiano.)
WestLB Finance	ITL250,000	2002	6.30	101.455	99.57	Interest will be 6.30% until 1999, when issue is callable at par, thereafter 6.80%. Fees 1⅞%. (Banca Nazionale del Lavoro.)
World Bank	ITL400,000	2007	9½	101.30	—	Interest will be 9½% until 2000, when issue is callable at par, thereafter 10½% less twice the 6-month Libor. Reoffered at 99¾. Fees 2%. (Credito Italiano.)
Depfa Finance	DF200	2002	5	101.45	99.40	Reoffered at 99⅞. Noncallable. Fees 1⅞%. (Rabobank Int'l.)
Dresdner Bank	DF750	2007	5¾	100.897	99.80	Reoffered at 99.222. Noncallable. Fees 2%. (ABN-AMRO Hoare Govett.)
Landwirtschaftliche Rentenbank	SP12,000	2003	5.68	101.35	—	Interest will be 5.68% until 2000, when issue is callable at par, thereafter 6.60%. Fees 1½%. (Banco Bilbao Vizcaya.)
BBL Int'l Finance	DK700	2004	zero	63½	61.80	Yield 6.04%. Noncallable. Proceeds 438 million kroner. Fees 1⅞%. (BBL.)
Bayerische Hypotheken und Wechsel Bank	ECU100	2004	5¾	101.785	99.72	Noncallable. Fees 2%. (ABN-AMRO Hoare Govett.)
Bayerische Vereinsbank	ECU100	2003	5⅞	101.237	99.75	Reoffered at 99.487. Noncallable. Fees 1⅞%. (Morgan Stanley Int'l.)
Credit Local de France	ECU100	2003	5¼	101.30	99.10	Noncallable. Fees 1⅞%. (Banque Int'l a Luxembourg.)
Nova Scotia	C$250	2002	6¼	101.145	99.15	Reoffered at 99.57. Noncallable. Fees 1⅞%. (Toronto-Dominion Bank.)
Eksportfinans	Y10,000	1998	4	100.00	—	Semiannually. Redemption at maturity may be in dollars. Noncallable private placement. Fees 1½%. (Citibank Int'l.)
Finnish Export Credit	Y10,000	1998	4	100.00	—	Semiannually. Redemption at maturity may be in dollars. Noncallable private placement. Fees 1.60%. (Wako Int'l.)
Korea Development Bank	Y70,000	2002	1⅞	100.00	99.95	Noncallable. Fees 0.25%. (Nomura Int'l.)

The Week Ahead: World Economic Calendar, Jan. 27-31

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Manila:** Board of Investment and the Public Estate Authority sponsors its property forum called "Philippine Property 1997." Monday to Wednesday.	**Basel, Switzerland:** Novartis AG expected to release pro-forma 1996 sales figures, expected Tuesday. Davos, Switzerland: Annual meeting of the World Economic Forum of government and business leaders. Thursday to Feb. 4.	**Boca Raton, Florida:** Morgan Stanley & Co. holds an Equity Research Latin American Conference. Monday to Wednesday. **Montreal:** Canadian Pulp & Paper Association begins conference on outlook for the country's forestry industry. Monday to Tuesday.
Monday Jan. 27	**Tokyo:** Bank of Japan releases its corporate services price index for December; Japan Automobile Manufacturers Association releases data on vehicle exports in December.	**Copenhagen:** Danmarks Statistik releases December wholesale prices. **London:** Preliminary fourth-quarter gross domestic product figures. **Prague:** The Czech Statistical Office releases December foreign trade figures.	**Washington:** National Association of Realtors releases December home resales; U.S. Agriculture Department's report on planting progress. **Earnings expected:** Atlantic Richfield Co.; Netscape Communications Corp., Tyson Foods Inc.
Tuesday Jan. 28	**Manila:** Central Azucarera de Tarlac holds annual stockholders' meeting; Dizon Copper-Silver Mines Inc. stockholders to elect new directors. **Tokyo:** The Ministry of International Trade and Industry releases figures on crude oil imports for December.	**Rome:** Employment in large Italian companies for October. **Vienna:** Trade Minister Szabolcs Fazakas of Hungary speaks on economic cooperation at the Austrian Association of Industry. **Earnings expected:** Elektrowatt AG.	**New York:** Johnson Redbook research service releases weekly survey of sales at 20 U.S. department, discount and chain stores; January consumer confidence index. **Washington:** Fourth-quarter employment-cost index.
Wednesday Jan. 29	**Tokyo:** Ministry of International Trade and Industry releases industrial production figures for December and fourth-quarter 1996; MITI releases retail sales figures for December and 1996.	**Rome:** Report on hourly wages for Italian workers. **Vienna:** Economics Minister Johann Farnleitner speaks on Austrian deregulation efforts to American Chamber of Commerce.	**Kansas City, Missouri:** National Cattlemen's Beef Association annual convention. **Ottawa:** Statistics Canada reports December industrial products price index and December raw materials price index.
Thursday Jan. 30	**Tokyo:** Japan Automobile Manufacturers Association release figures on vehicle exports in December.	**Copenhagen:** Fourth quarter and 1996 unemployment report. **London:** October M4 money supply. **Paris:** January industrial survey; Rhone-Poulenc presents 1996 earnings and 1997 prospects and outlook.	**Ottawa:** December employment insurance. **Washington:** Initial weekly state unemployment compensation insurance claims; weekly money supply. **Earnings expected:** Dow Chemical Co., and Sherwin-Williams Co.
Friday Jan. 31	**Tokyo:** January consumer price figures for Tokyo and December consumer prices for Japan; December employment statistics; December housing starts and construction orders; quarterly business and consumer sentiment surveys.	**Paris:** Insee releases December employment statistics. **Vienna:** Institute for Advanced Studies releases Austrian economic growth forecasts for years 1997 through 2001.	**Ottawa:** Statistics Canada reports November gross domestic product at factor cost by industry. **Washington:** Federal Reserve System releases weekly report on commercial and industrial loans at U.S. commercial banks.

Last Week's Markets

Stock Indexes

	Jan. 24	Jan. 17	% Ch'ge
United States			
DJ Indus.	6,696.48	6,833.10	—2.00
DJ Util.	237.63	239.54	—0.67
DJ Trans.	2,332.73	2,312.23	+0.89
S & P 100	754.68	762.15	—0.98
S & P 500	770.52	776.17	—0.73
S & P Ind	904.62	913.29	—0.95
NYSE Cp	405.51	406.31	—0.93
Nasdaq Cp	1,363.83	1,349.04	+1.10
Japan			
Nikkei 225	17,689.36	18,090.04	—2.21
Britain			
FTSE 100	4,218.80	4,207.70	+ 0.26
Canada			
TSE Indus.	6,033.58	6,138.80	—1.71
France			
CAC 40	2,430.34	2,425.10	+ 0.22
Germany			
DAX	2,998.24	3,001.37	—0.10
Hong Kong			
Hang Seng	13,379.55	13,856.40	—3.44
World			
MSCIP	826.05	830.55	—0.54

World index from Morgan Stanley Capital Int'l Perspective.

Money Rates

	Jan. 24	Jan. 17
United States		
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5⅜	5.00
Japan		
Discount	0.50	0.50
Call money	0.43	0.43
3-month interbank	0.56	0.56
Britain		
Bank base rate	6.00	6.00
Call money	6⅟₁₆	6.00
3-month interbank	6¼	6¼
France		
Intervention rate	3.15	3.15
Call money	3¼	3⅟₁₆
3-month interbank	3¼	3¼
Germany		
Lombard	4.50	4.50
Call money	3.15	3.08
3-month interbank	3.15	3.13

Gold	Jan. 24	Jan. 17	% Ch'ge
London p.m. fix $	352.50	355.75	-0.91

Euromarts

Eurobond Yields

	Jan. 24	Jan. 17	Yr high	Yr low
U.S. $, long term	6.70	6.71	6.72	6.53
U.S. $, mdm term	6.39	6.23	6.39	6.10
U.S. $, short term	6.07	6.08	6.10	6.01
Pounds sterling	7.32	7.46	7.62	7.31
French francs	4.84	4.72	4.98	4.72
Italian lire	7.05	7.19	7.24	7.03
Danish kroner	5.66	5.69	5.72	5.52
Swedish kronor	4.82	4.88	5.19	4.82
ECUs, long term	5.93	6.09	6.19	5.93
ECUs, mdm term	4.79	4.79	5.04	4.79
Can. $	5.98	6.03	5.98	5.80
Aus. $	7.13	7.24	7.31	7.13
N.Z. $	7.34	7.28	7.35	7.19
Yen	1.72	1.78	1.94	1.72

Source: Luxembourg stock exchange.

Weekly Sales

Jan. 23

Primary Market

	Cedel Bk $	Cedel Bk Num$	Euroclear $	Euroclear Num$
Straights	1.8	683.0	565.0	2,939.1
Convert.	0.1	—	89.7	—
FRNs	499.0	681.0	1,037.0	956.3
ECP	12,018.3	8,199.1	11,193.2	8,739.4
Total	12,519.2	9,563.1	12,884.9	12,634.8

Secondary Market

	Cedel Bk $	Cedel Bk Num$	Euroclear $	Euroclear Num$
Straights	15,355.9	24,415.5	66,563.0	31,193.8
Convert.	731.6	898.6	2,747.3	2,900.1
FRNs	16,963.0	5,938.2	52,477.9	9,715.8
ECP	12,557.6	15,511.4	22,404.3	33,989.0
Total	45,608.1	46,763.7	144,192.5	76,798.7

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5½	5⅝	5⅝
Deutsche mark	3⅛	3⅛	3⅛
Pound sterling	6¼	6⅜	6⅟₁₆
French franc	3⅜	3⅟₁₆	3⅟₁₆
ECU	4⅝	4⅟₁₆	4⅟₁₆
Yen	½	½	½

Sources: Lloyds Bank, Reuters.

CAREER FOCUS

For a Music and Circus Impresario, Life Has Come Full Circle

By Brad Spurgeon
International Herald Tribune

"It's a spiral," said Frazier Mohawk, referring to his career. "I keep moving back over things I've done in the past, and picking up little bits and pieces of it and taking it on to the next endeavor."

The spiral has taken the 55-year-old Californian from producing the records of some of the most innovative rock musicians of the 1960s and 1970s, through creating one of Canada's biggest traveling one-ring circuses, to producing music again — this time in his own fully equipped studio on a working farm.

He is, incidentally, not alone in using abstract images to describe the movement of a career. Richard Nelson Bolles, author of the best-selling careers guide "What Color Is Your Parachute?," uses the image of a box: People should store their interests in boxes, he writes, alternately dropping them and picking them up as they go through life.

The traditional image is the ladder, although Timothy Haft, until recently a career counselor at New York University, said Mr. Mohawk's career is in many ways representative of the kinds of career changes being thrust upon a growing number of people.

"There is no longer a 'straight' career ladder," Mr. Haft said. "Paths wind and twist and turn, and it is difficult to know today what career moves will put one in a prime position 10 years from now."

Mr. Mohawk's spiral began when he was 10 and still known as Barry Friedman, his given name. He was already producing variety shows at his local theater in his hometown, Los Angeles. Later, as a teenager, he became assistant producer of the "Chucko the Clown" show at ABC-TV, and later of a series called "Stars of Jazz."

In 1964, Mr. Mohawk — as Barry Friedman — helped a disc jockey named Bob Eubanks promote The Beatles' Hollywood Bowl concert, acting as publicist. He then started his own publicity agency and met many of the top folk-rock singers of the period, including Stephen Stills.

Mr. Stills wanted to start a group, they started talking, and Mr. Mohawk helped him put together a band. The result was Buffalo Springfield — a name Mr. Mohawk gave them after seeing a steamroller with that name on their street. The group's first album is dedicated to him.

It was when he produced two songs by his friend Mike Nesmith on the first Butterfield Blues Band album in 1965 that he launched the first twist of the record-producing spiral of his career. He went on to produce some of most important artists of the era, including The Holy Modal Rounders, Kaleidoscope and Nico.

Building a career means making good use of 'bits and pieces of the past.'

He also toured with The Byrds, doing their sound mix at the legendary Monterey Pop festival in 1967, and sent Mr. Nesmith and Mr. Stills to audition for The Monkees pop group (Mr. Nesmith made it).

Mr. Mohawk sought the help of Jac Holzman, then chairman and owner of Elektra Records, to build a studio in the country on Sacramento Mountain. There in 1969 he produced one of the most important early folk-rock records, "Running, Jumping, Standing Still," by Spider John Koerner and Willie Murphy.

"What was most salient in those days," said Mr. Holzman, now chief technologist of the Warner Music Group, was Mr. Mohawk's "unusual and prophetic take on artists and music. He was way ahead on Buffalo Springfield, Jackson Browne, Neil Young and others."

By the mid-1970s, however, Mr. Mohawk was so burned out by the music business that he would not even have a radio in his house.

"The business part of the music business became bigger than the music part," he said. "And it made me very nuts."

It was time to spiral back. He moved to Toronto and returned to his Chucko roots, creating a business called Rent-A-Fool, a group of clowns-for-hire that threw cream pies at executives. It grew into Puck's Canadian Traveling Circus, with 35 employees, nine trucks and a big top.

Mr. Mohawk's father was head of the vocational rehabilitation service for the state of California and his mother was an artist, so he says his circus vocation comes from his godparents, Shirley and Norman Carroll, who were the publicists for the Ringling Brothers, Clyde Beatty, and Cole Brothers circuses.

Puck's Circus lasted half a decade, ending at the farm in Schomberg, Ontario, a small town 45 minutes' drive north of Toronto. More than 200,000 school children have visited the 170-acre (68-hectare) site to roast corn, learn about livestock and watch Farmer Clown perform. The milk cows have ranked in the top third in Canada for small herds. The sheep's wool is used to knit clothes sold at the farm, and Mr. Mohawk himself lives off the produce.

Today, more than 20 years after leaving the music business, Mr. Mohawk's career spiral has come around yet again with the establishment of The Studio at Puck's Farm.

Mr. Mohawk and Anthony D'Atri, his partner, began recording, first with a small four-track recorder, and eventually they sold the cows and reclaimed the barn as a studio. Mr. D'Atri himself hewed the 18-inch-wide pine planks and built the floating floor. The renovation cost about $100,000, "a little more than we thought," Mr. Mohawk said.

The studio features a mid-1960s Neve console, Dolby stereo, a Studer 24-track recorder and a 28-foot ceiling supported by 150-year-old elm beams. Puck's Farm also has a site on the World Wide Web at www.pucksfarm.com.

Puck's Farm Records' first offering, a compact disk of children's songs sung by Mr. D'Atri as Anthony the Singing Cowboy, came out in the autumn.

Since then the label has brought out two other CDs: "Two Pianos, No Waiting," an hour of boogie, ragtime, and blues from Scott Cushnie (once of Ronnie Hawkins and The Band, and later Aerosmith), Doug Riley, and Joan Besen (of Prairie Oyster), and "Much Too Late," by a Macedonian blues singer named Danny B.

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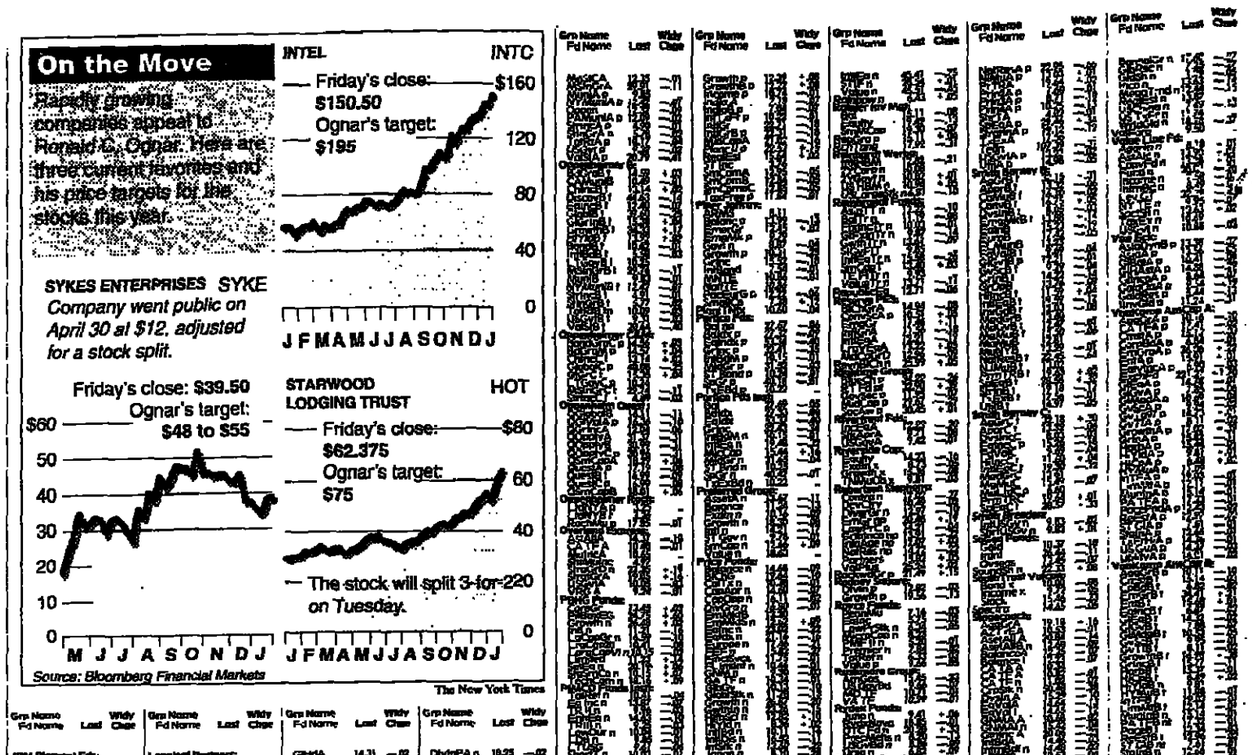
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SHORT COVER

Worldwide PC Shipments Rise 18%

SAN FRANCISCO (Reuters) — Worldwide shipments of personal computers climbed 18 percent in 1996, to 70.9 million units, with Compaq Computer Corp., International Business Machines Corp. and Dell Computer Corp. showing the biggest gains, the market research firm Dataquest said Sunday.

Struggling Apple Computer Corp. suffered the biggest worldwide decline, with shipments falling 22 percent last year, to 3.7 million. Apple's market share fell to 5.2 percent from 7.9 percent in 1995.

Compaq retained its position as the No. 1 PC vendor in the world for the third consecutive year, with 7.1 million units shipped in 1996, an increase of 19 percent from 1995. The company widened its market share to 10.1 percent from 10 percent, Dataquest said in its year-end report.

Maybank's Net Profit Rises 39%

KUALA LUMPUR (Combined Dispatches) — Malayan Banking Bhd., Malaysia's largest bank, has said first-half profit rose 39 percent as lending increased and margins widened.

The bank said Saturday profit rose to 654.6 million ringgit ($263.1 million) in the six months to Dec. 31, from 469.7 million ringgit in the comparable period a year earlier.

The bank's earnings growth, however, is likely to slow in the second half, analysts said. *(Bloomberg, Reuters)*

Taiwan to Keep Monetary Policy

TAIPEI (Reuters) — Taiwan's central bank has said it would not tighten its monetary policy despite a relatively low 1997 consumer price growth target set by the cabinet.

"Because the central bank has to be concerned about both inflation and economic growth, we will not change our current stable-to-loose monetary policy," the central bank's vice governor, Hsu Chia-tung, said Saturday.

But the central bank's governor, Shea Yuan-dong, said Friday the cabinet's 1997 consumer price growth target of 3 percent was too low and would require the central bank to tighten policy, thus risking a slowdown of economic recovery.

STET Seeks International Partners

ROME (Reuters) — Italy's treasury minister, Carlo Azeglio Ciampi, fresh from unveiling a shake-up of Societa Finanzaria Telefonica, a telecoms holding, was quoted Sunday as saying the group was now on the lookout for strong international partners.

"The group needs to find solid and strong alliances in world markets," Mr. Ciampi told Il Sole 24 Ore in an interview.

The Treasury abruptly announced Friday a reshuffle of STET's top managers and outlined details of a merger between the holding and its main operating subsidiary, Telecom Italia, as a prelude to its delayed privatization.

Canal Plus to Cut German Stakes

BONN (Reuters) — Canal Plus SA, the French pay television group, plans to reduce or even give up its stakes in Germany's pay TV channel Premiere and the commercial channel Vox, the weekly news magazine Focus reported Sunday.

Focus, in an unsourced article, said Leo Kirch was prepared to take over the 37.5 percent stake in Premiere owned by Canal Plus. Mr. Kirch holds 25 percent of Premiere and Bertelsmann owns the remaining 37.5 percent. Focus also said Canal Plus would no longer finance losses at Vox, a commercial network in which it owns a 24.9 percent stake.

Metallgesellschaft Near Settlement

BONN (Reuters) — Metallgesellschaft AG, a German industrial group, is close to a settlement with its previous chief executive and finance officer, putting an end to events that nearly drove the firm to collapse in 1993, a newspaper reported over the weekend.

Pakistan's Obstacle to Trade

Islamic Customs Curb Karachi Stock Exchange

By Kenneth J. Cooper
Washington Post Service

KARACHI, Pakistan — A failed experiment in Pakistan's financial capital stands as an example of how religious-based customs can prevent developing countries from becoming more engaged with the global economy.

Last year, on the first Friday in October, Pakistan's oldest and largest stock market opened for trading. It was the first time in two decades that the Karachi Stock Exchange did business on a Friday — and it will probably be the last for a long time.

The Karachi exchange's shift to a Saturday-Sunday weekend in a bid to attract more foreign investors lasted just one day because of opposition from Islamic fundamentalists and a lack of support from private businesses and the government.

On Oct. 4, the day of Friday trading, small fundamentalist parties protested in front of the stock market and threatened unspecified consequences if it opened on Friday again. The market, established in 1947, promptly resumed its regular Sunday through Thursday schedule.

Like most Islamic countries, Pakistan begins its two-day weekend on Friday. The Koran, Islam's holy book, does not explicitly forbid work on Fridays. But most of the Islamic world has adopted the custom of closing workplaces and taking Fridays off.

The Islamic Republic of Pakistan was a latecomer to this Islamic custom. It was not until 1977, 30 years after independence, that Pakistan shifted to a Friday-Saturday weekend.

Two decades later, the initiative for going back to working on Fridays came from the Federation of Pakistan Chamber of Commerce and Industry, the nation's largest business group. Its leaders predicted that Pakistan could increase its exports if the nation's businesses were not out of touch with trading partners in Western and East Asian countries on Friday, Saturday and Sunday.

Arif Habib, president of the Karachi Stock Exchange, said he followed the chamber's lead with the understanding that the government would alter the workweek of state-owned banks and financial institutions after the market opened for trading on a few consecutive Fridays. But the protest by the fundamentalist parties, which have not fared well in Pakistan's elections but do influence public opinion, apparently scared off the shaky government of Benazir Bhutto, who was dismissed as prime minister a month later.

There was another problem: The chamber of commerce opened its Karachi office Oct. 4, but few member companies did. The nation's business community was divided between export-oriented industries that favored the change and more numerous retailers that feared losing customers to competitors.

Ghafoor Ahmad, deputy chairman of Pakistan's largest religious party, Jamaat-e-Islami, said that business in Pakistan has not suffered from Friday closings.

Pakistan's foreign trade and investment have increased, but the growth has slowed during the past year because of Miss Bhutto's political troubles and the nation's economic problems, including a large budget deficit, a drop in foreign-currency reserves and the International Monetary Fund's hesitation to release crucial loans. For some of the same reasons, the Karachi stock market has lost half its value since an all-time high was reached in early 1994 partly on the strength of new foreign investment.

Nasdaq to Raise Listing Standards

Bloomberg News

WASHINGTON — Tough listing standards for the 5,400 companies that trade on the Nasdaq Stock Market are expected to be approved Tuesday by Nasdaq's parent body after several cases of price manipulation by small companies, a Nasdaq official said Sunday.

The standards, if approved by the Securities and Exchange Commission, would make 11 percent of the Nasdaq roster ineligible to list on the second largest U.S. stock market.

The proposal is geared especially toward Nasdaq's SmallCap market, which listed several small companies that were recently accused of trading violations.

"This is a step that will help protect investors from fraudulent activity on Nasdaq," said Rick Ketchum, chief operating officer of Nasdaq's parent, the National Association of Securities Dealers. "It will enable us to provide assurance of the bona fide qualifications of the companies we list."

Mr. Ketchum said he expected the NASD board to approve the staff proposal Tuesday after consideration by the Nasdaq board. The Nasdaq board's action will not be announced, NASD executives said.

Many of the proposals for the SmallCap market involve upgrading corporate-governance standards to the level of those on Nasdaq's National Market, where companies such as Microsoft Corp., Intel Corp. and Apple Computer Inc. trade.

Among the proposals:

- The National and SmallCap markets would toughen some listing requirements for net tangible assets, pretax income, market value of public float and bid price;
- The SmallCap market would require companies to have a minimum of two independent directors and an audit committee with a majority of independent directors. Companies also would have to hold an annual meeting of shareholders;
- No trading at under $1 a share could be listed on either market.

Nasdaq staff issued the proposal for public comment in November. Some small companies objected to the prohibition on stocks of less than $1, arguing investors should be allowed to buy inexpensive stock if they wanted to, Mr. Ketchum said.

The boards will give serious consideration to this concern, he said.

Under the staff proposal, Nasdaq-listed companies not meeting the requirements would be given a grace period to improve. About 570 companies, or 30 percent of the SmallCap-listed companies, would not qualify under the proposals.

Nasdaq and NASD Regulation Inc. were separated and strengthened about a year ago in an attempt to bolster the industry body's enforcement capabilities. Both units and the parent body have their own boards.

INVESTING

Indonesian Firms Vow Fresh Support for Plan To Bridge Wealth Gap

By Michael Richardson
International Herald Tribune

JAKARTA — A group of Indonesia's wealthiest companies has agreed to intensify a program to help smaller businesses in what analysts said Sunday was an attempt to defuse government and public criticism for doing too little to bridge the gap between rich and poor.

The group's spokesman, Sukamdani Sahid Gitosardjono, head of one of the country's biggest hotel and real-estate conglomerates, said the formation of the group of 79 big businesses was a response to the government's insistence that more must be done to overcome poverty.

The move follows several serious riots in various parts of the country in which wealth disparity was evidently an underlying cause.

President Suharto has warned that a growing wealth gap could lead to more widespread social unrest and weaken national unity. He declared last month that wealthy Indonesians who did not heed the call to help the poor could have their houses marked to shame them.

Mr. Sukamdani said the newly formed business group had decided to set up a body to organize and coordinate all activities related to partnership programs with smaller businesses.

"We have all actually established partnerships with small businesses and cooperatives," he said. "Now we want to make them more intensive." Areas to be examined, Mr. Sukamdani said, would include provision of managerial and technical assistance and low-interest loans.

Similar measures have already been implemented by another group of 48 heads of major Indonesian businesses, who met in Jimbaran, Bali, in 1995.

The so-called Jimbaran Group also pledged to help redress social disparities that have become more obvious in recent years as deregulation has made Indonesia rely increasingly on market forces to generate economic growth and jobs.

The Jimbaran Group claims to have spent more than 2.1 trillion rupiah ($884.2 million) in 1996 on cooperative programs with small and medium-sized enterprises.

Such smaller companies, which include subcontractors, retailers, workshops and cottage businesses, have the potential to create employment in a country where the government says that more than 25 million of the country's nearly 200 million population lives below the official poverty line.

In a related development, Indonesia's business elite has indicated that it will comply with a controversial regulation being drafted by the Finance Ministry to raise more money for poverty alleviation programs overseen by Mr. Suharto.

The regulation would enforce a presidential decree issued last month requiring individual and corporate taxpayers with net annual incomes exceeding 100 million rupiah to pay 2 percent of their net income to support government programs to assist the poor.

An estimated 11,000 corporate and individual taxpayers should be subject to the surcharge. Most foreign multinationals are expected to go along with the charge.

Creditors Form Panel To Aid Hanbo

Bloomberg News

SEOUL — Korea First Bank and 11 other prime creditor banks of the bankrupt Hanbo Steel & General Construction Co. will form a committee to help solve Hanbo's problems, a spokesman for Korea First Bank said Sunday.

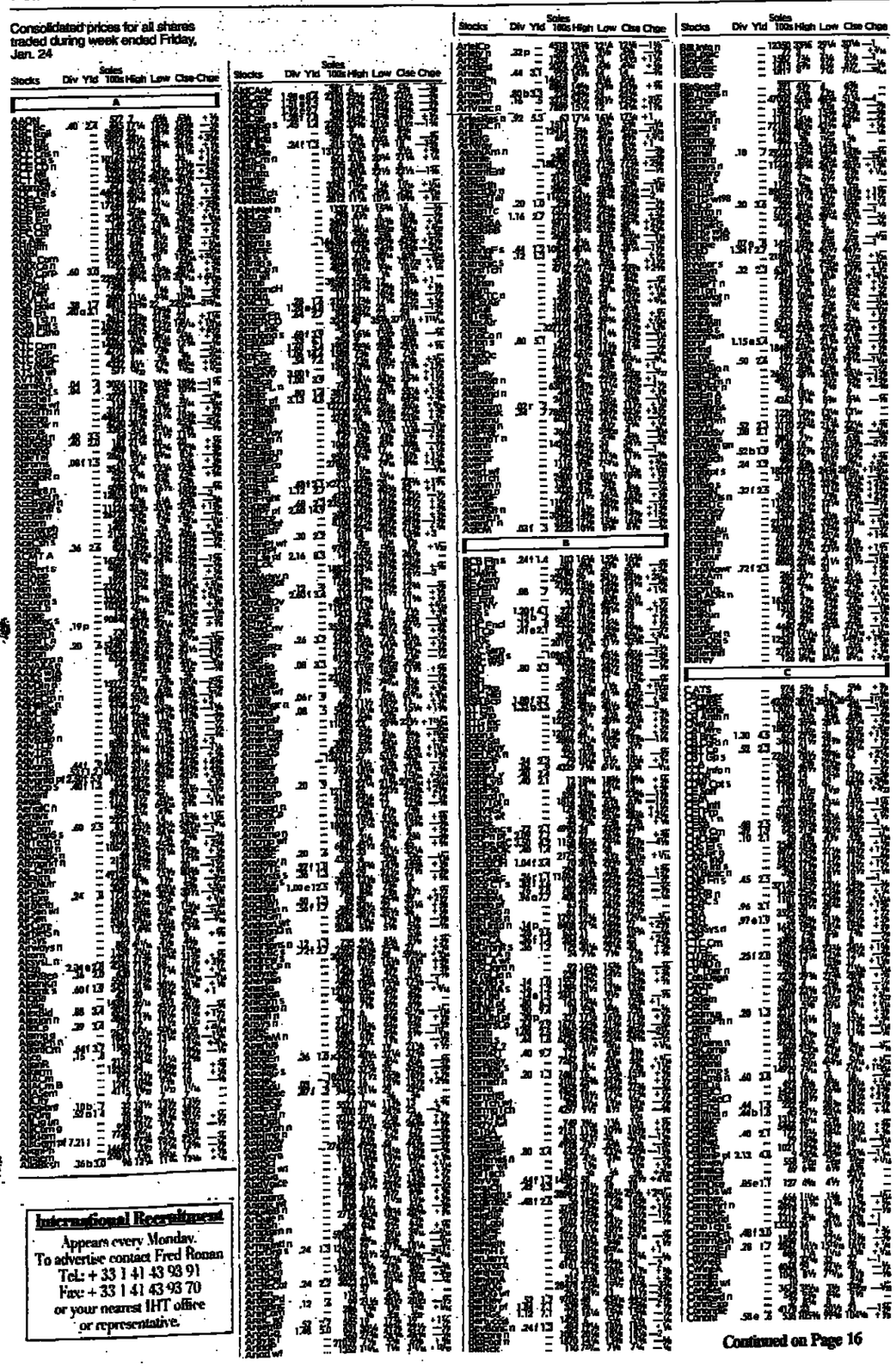
The spokesman said the committee would hold its first meeting Monday to discuss ways to prevent a flood of bankruptcies and to increase financial aid to about 850 subcontractors of Hanbo.

Currently, 59 institutions including Korea First Bank, Korea Development Bank, Korea Exchange Bank and Cho Hung Bank, hold $6 billion worth of Hanbo's bad loans.

The chairman of Hanbo Group, Chung Bo Keun, said Friday his group would apply for court receivership for insolvent Hanbo Steel and Hanbo Corp., which would freeze all their assets and liabilities.

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Jan. 24



Continued on Page 16

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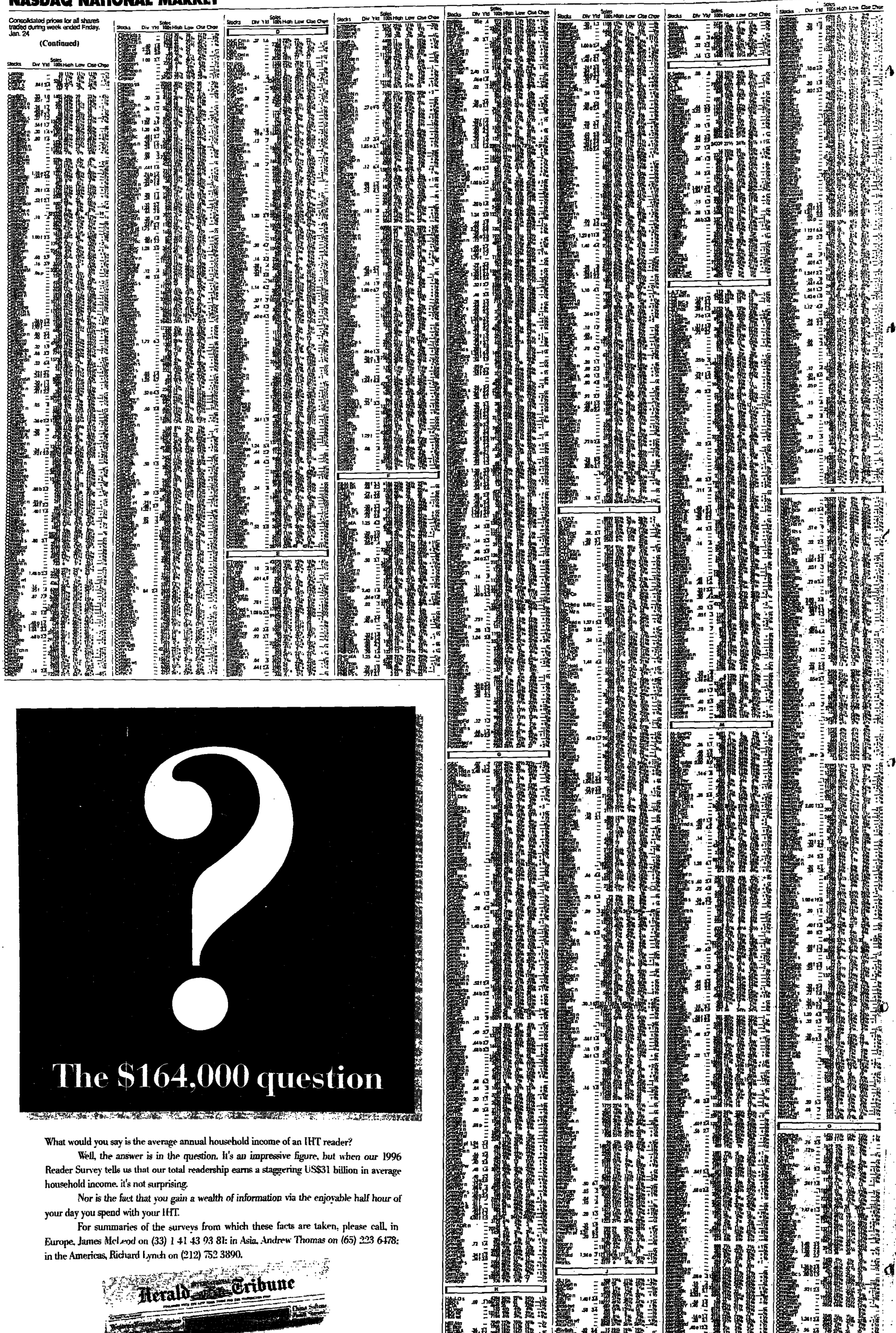
Which is perhaps why some people feel that you never actually own a Patek Philippe. You merely look after it for the next generation.

PATEK PHILIPPE GENEVE

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Jan. 24

(Continued)



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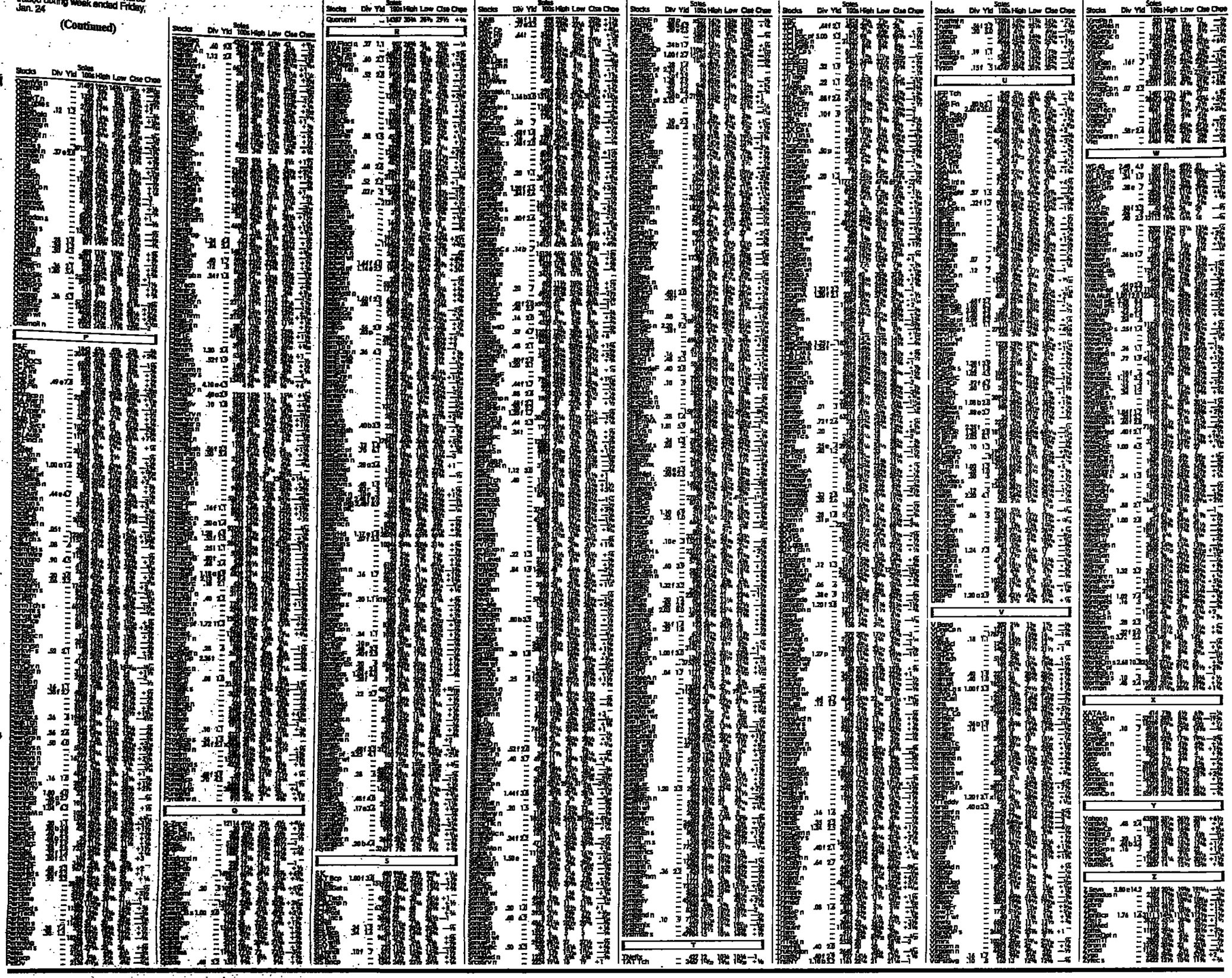
THE WORLD'S DAILY NEWSPAPER

Continued on Page 17

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Jan. 24

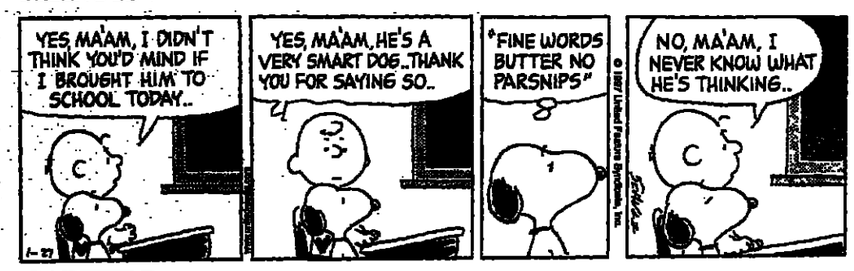
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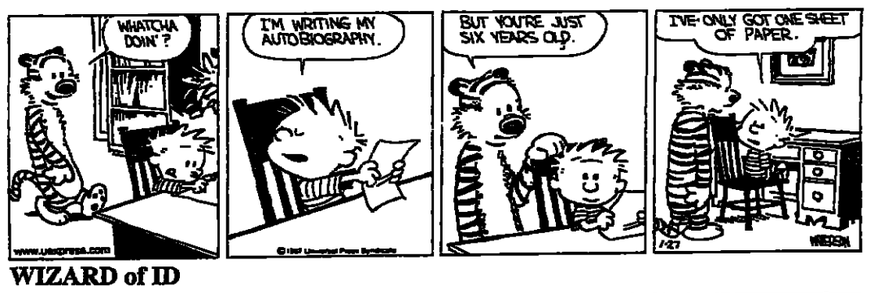
DENNIS THE MENACE



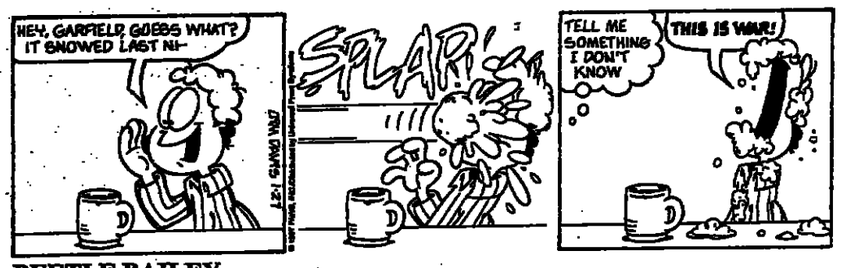
PEANUTS



CALVIN AND HOBBES



GARFIELD



WIZARD of ID



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

DAAHE
RUCOS
ELYSEP
LAFICA



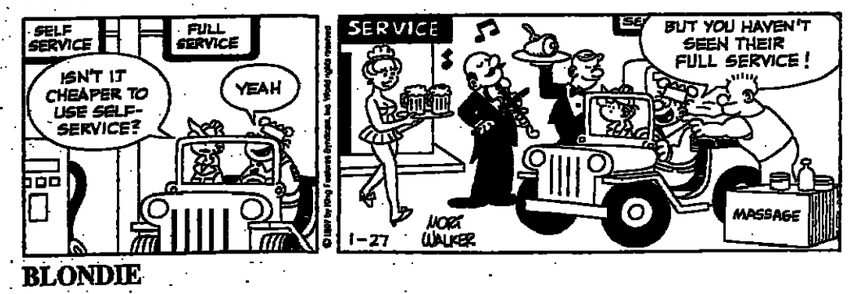
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: (Answers tomorrow)

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Answer: Where Chef ended up when he cancelled their vacation — ON A GUILT TRIP

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Chelsea Fells Liverpool, All In the 2d Half

Reuters

Chelsea made an outstanding comeback to defeat Liverpool, 4-2, in the fourth round of the F.A. Cup on Sunday after trailing, 2-0, at halftime.

Liverpool, driven by an inspirational display by Steve McManaman, dominated the first half with goals from Robbie Fowler, after 10 minutes, and

SOCCER ROUNDUP

Stan Collymore, who scored after a mix-up in the Chelsea midfield 11 minutes later.

But a tactical half-time substitution by Chelsea's player-manager, Ruud Gullit, who brought on Mark Hughes for Scott Minto, transformed the match and gave Chelsea the victory against last season's runner-up in the Cup. Hughes halved the deficit within five minutes of coming on.

Chelsea pulled even after 58 minutes when Gianfranco Zola beat James with a trademark curling left-foot shot from the edge of the box. Five minutes later Chelsea was ahead when Gianluca Vialli scored easily after being put through by Romanian Dan Petrescu. Vialli added the fourth from a Zola free kick.

Two goals in five minutes by Ian Woan enabled Nottingham Forest to come from behind and beat Newcastle, 2-1, in the F.A. Cup fourth round.

The minor-league Woking equalized in the last minute to hold Coventry City of the Premier League to a 1-1 draw, and the second-division Wrexham defeated West Ham, 1-0, in a third-round replay.

Bradford City, just two from the bottom of the first division, also scored an upset victory, beating Everton, 3-2, in a fourth-round match.

ITALY AC Milan's fading hopes of retaining its title all but disappeared on Sunday after a 3-1 defeat at Verona left the team 10th in the Serie A standings.

Arrigo Sacchi's team has lost seven league matches this season — as many as it has won — and it is 11 points behind the leader, Juventus, which defeated the league's bottom team, Reggiana, 3-1.

Juventus's Michele Padovano, playing against his old club, scored to keep the European champions four points clear at the top of the standings with 36 points from 18 matches.

Second-place Sampdoria kept Juventus within its sights after coming from 2-1 down to defeat Perugia, 5-2, thanks to the prolific front-line partnership of Vincenzo Montella and Roberto Mancini, who both scored twice.

SPAIN Ronaldo celebrated his FIFA World Player of the Year award with a first-half hat-trick as Barcelona thrashed Rayo Vallecano, 6-0, Sunday.

Barcelona remained second in the Spanish championship, three points behind Real Madrid, which was led to a 4-0 victory over Celta Vigo by the defender Roberto Carlos.

With the nearest challenger now seven points adrift, the league title again looks like a two-club race. Real and Barcelona face each other in the fourth round of the Spanish Cup at midweek.

The game between Tenerife and the sixth-place Atletico Madrid was postponed after 10 members of the champions' squad had gastroenteritis.

FRANCE Bastia, down to 10 men for the last 20 minutes, missed the chance to move into second place in the French first division Saturday when it lost, 1-0, at Marseille.

Bastia, which had won seven of its last eight matches, had left-back Patrick Valery sent off in the 70th minute for a second bookable offense. Victory would have taken Bastia into second place, above Paris Saint-Germain. But Xavier Gravelaine scored on the stroke of halftime to enable Marseille to climb two places to ninth.

PORTUGAL Benfica lost, 2-1, to Belenenses at home on Saturday, its third consecutive defeat, and slipped to third place in the first division.

Sporting beat Boavista, 3-1, at home to go into second with 34 points, one ahead of Benfica. The reigning champions have the title safely in their grasp with 44 points.



Photo: Hervé ... Agence France-Presse

Cyrille Roll of Bastia just avoiding a tackle by Eric Roy in Marseille.

French Figure Skating Cools Down

By Christopher Clarey
Special to the Herald Tribune

PARIS — When figure skating boomed internationally in 1994, the French made their share of the noise.

There was Surya Bonaly, the exotic if not terribly artistic European women's champion. There was Philippe Candeloro, the artistic if not terribly consistent showman who won a bronze medal at the Olympics. There was the polished dance pair of Sophie Moniotte and Pascal Lavanchy, and before long there was a lucrative television contract for the French Ice Sports Federation that guaranteed it approximately $3 million annually.

It appeared to be a solid platform for building tradition, but as the European figure skating championships ended in Paris on Saturday with the women's competition, it was clear that the platform has become as shaky as the French federation's finances (it is now an estimated $5.5 million in debt).

The most telling sign was not that Bonaly, the five-time European champion, finished a dismal ninth in her first major competition since she tore her Achilles' tendon last May. The most telling sign was that the stands were barely half-full in the 12,000-seat Palais Omnisports de Bercy and that compared to earlier in the week, that small crowd looked rather large.

"Back in 1994, we had hoped that Bercy would be a big festival for French skating, and that we would have several European champions," said Didier Gailhaguet, director of French skating. "Clearly, that did not happen."

Instead, Bercy was the site of a Russian festival. Irina Slutskaya's victory in the women's competition gave her nation a sweep of all four events in Paris. It was something no other country — not even the Soviet Union — had accomplished since ice dancing was introduced to the championships in 1954.

The other Russian winners were Marina Eltsova and Andrei Bushkov in pairs, Aleksei Urmanov in the men's competition and, most spectacularly, Oksana Gritschuk and Yevgeni Platov in dance. Gritschuk and Platov are the defending Olympic and world champions, and after missing the early season to allow Platov to heal from knee surgery and Gritschuk to dye her dark hair blond, they received a total of 12 perfect 6s in Paris. That put them in fine company because the only European dancers to receive more perfect scores at these championships were Jayne Torvill and Christopher Dean of Britain in 1982 and 1984.

Whether Bonaly and the French will trouble the opposition in the 1988 Olympics remains uncertain. Bonaly should improve on Saturday's performance, but she is still skating in pain and unable to perform all of her triple jumps. Even before her long layoff, she was considered to be in decline.

Candeloro, handicapped by injuries and his own mercurial character for the last two years, managed a silver medal here with an imperfect yet plucky performance in the men's free program. Moniotte and Lavanchy, returning to major competition after Moniotte's broken leg, won a bronze medal in dance.

Nonetheless, such results do not represent progress, and judging from the poor crowds and the all-important television ratings, figure skating already has peaked in France. Even if top new talent does emerge, the federation's financial difficulties — brought on by overspending and suspect management — will make reversing the trend all the more arduous.

Els Hangs On to Take Walker Classic

Compiled by Our Staff From Dispatches

HOPE ISLAND, Australia — Ernie Els of South Africa won the opening tournament of the European season by one shot Sunday after his nearest rival effectively ruled himself out of contention for a rule infringement.

Els fired a final round 69 for a 10-under-par aggregate of 278 to capture the Johnnie Walker Classic from Michael Long of New Zealand and Peter Lonard of Australia.

Els completed his 18th tournament victory in atrocious conditions at the Hope Island resort course after torrential rain and lightning forced a one-hour interruption in midafternoon.

Long, who shared a two-shot overnight lead at 9 under with Lonard and Anthony Painter, was penalized one shot when he informed officials that his ball had moved as he lined up a putt on the 15th green. Instead of putting for a birdie and a possible share of the lead at the next tee, Long was faced with a 10-yard putt to save his par 4. The ball shaved the hole for a bogey 5, giving Els a crucial two-shot cushion.

Els, the 1994 U.S. Open champion and world No. 4, dropped a shot on the last hole, an unconvincing finish after taking the lead at the turn on the final day.

"I got away with this one," Els said. "In the future I think I will have to play a lot better than that coming down the stretch."

• In Scottsdale, Arizona, while Tiger Woods supplied an electric moment with a hole-in-one in the Phoenix Open, Steve Jones outplayed everyone for the third straight day.

Jones birdied the first three holes and three of the last four for a 6-under-par 65 Saturday putting him 22-under at 191 after the third round. His score is the second-lowest for 54 holes in PGA Tour history, two shy of John Cook's 189 last year at Memphis.

Woods, thrust into the background by a relatively poor showing, aced No. 16. A roar went up from the crowd when Woods's 9-iron shot on the 155-yard hole took one big bounce, one tiny one and dropped in. *(Reuters, AP)*

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	30	11	.732	—
New York	29	13	.690	1½
Washington	21	21	.500	9½
Orlando	19	19	.500	9½
New Jersey	11	29	.275	18½
Boston	9	33	.231	20
Philadelphia	9	33	.214	21½

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	37	5	.881	—
Detroit	30	11	.732	6½
Atlanta	28	12	.700	8
Charlotte	24	18	.571	13
Cleveland	23	18	.561	13½
Milwaukee	20	21	.488	16½
Indiana	19	21	.475	17
Toronto	14	27	.341	22½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	32	11	.744	—
Utah	29	13	.690	2½
Minnesota	19	23	.452	12½
Dallas	14	26	.350	16½
Denver	13	30	.302	19
San Antonio	11	28	.282	19
Vancouver	6	36	.152	24½

PACIFIC DIVISION

	W	L	Pct	GB
L.A. Lakers	30	12	.714	—
Seattle	30	12	.714	—
Portland	25	16	.581	5½
Sacramento	18	25	.419	12½
L.A. Clippers	16	24	.400	13
Golden State	16	25	.390	13½
Phoenix	15	27	.357	15

FRIDAY'S RESULTS

Orlando 20 29 33 23 16—121
Boston 32 17 28 28 12—117
O: Hardaway 9-17 7-8 28, Anderson 9-17 0-2 24; B: Fox 10-16 5-6 28, Walker 12-20 3-9 28. Rebounds—Orlando 61 (Seikaly 15), Boston 57 (Williams 11). Assists—Orlando 21 (Shaw, Armstrong 5), Boston 24 (Wesley 8).

Sacramento 20 29 31 27—107
Philadelphia 27 20 23 22— 92
S: Richmond 13-25 4-5 33, Williamson 7-14 4-6 18; P: Stackhouse 11-22 6-9 29, Iverson 5-17 6-6 16. Rebounds—Sacramento 50 (Polynice 14), Philadelphia 53 (Weatherspoon 11). Assists—Sacramento 27 (Richmond, Hurley 8). Philadelphia 17 (Iverson 8).

Washington 29 25 23 21 7—105
Atlanta 24 32 28 14 19—117
W: Webber 10-20 2-2 23, Howard 10-22 2-2 22; A: James 8-12 2-2 26, Mutombo 9-14 5-5 23, Blaylock 9-19 1-1 23. Rebounds—Washington 47 (Howard 14), Atlanta 51 (Mutombo 14). Assists—Washington 24 (Strickland 10), Atlanta 25 (Blaylock 12).

New York 26 18 28 23 9—104
Charlotte 32 30 18 15 18—113
N.Y.: Ewing 7-20 12-15 26, Houston 11-17 0-1 24; C: Rice 9-19 14-16 34, Curry 10-17 1-5 25. Rebounds—New York 46 (Ewing 14), Charlotte 50 (Mason 18). Assists—New York 26 (Childs 12), Charlotte 27 (Bogues 10).

Dallas 22 24 19 22—87
San Antonio 29 31 12 25—97
D: Gatling 9-14 7-10 25, Jackson 8-19 5-6 22; S.A.: Wilkins 10-18 1-1 24, Del Negro 7-10 6-6 21. Rebounds—Dallas 43 (Jackson 9), San Antonio 44 (Perdue 12). Assists—Dallas 20 (Jackson, harper 5), San Antonio 23 (Johnson 10).

Portland 30 30 24 31—115
Phoenix 26 25 21 33—105
Portland: Trent 10-14 4-6 24, Anderson 7-17 5-10 22; Phoenix: Chapman 8-11 2-2 19, Johnson 6-12 6-6 18. Rebounds—Portland 57 (Trent 13), Phoenix 46 (Ceballos, Johnson 8). Assists—Portland 27 (Anderson 15) Phoenix 29 (Johnson 12).

Denver 20 24 37 30—111
L.A. Clippers 29 24 36 25—114
D: D.Ellis 10-18 2-2 27, L.Ellis 9-19 3-3 23; L.A.: Vaught 15-18 1-1 31, Outlaw 7-10 4-6 18. Rebounds—Denver 50 (Johnson, Hammonds 10), Los Angeles 45 (Vaught 10) Assists—Denver 16 (Jackson 9), Los Angeles 16 (Martin 4).

Golden State 30 25 28 14— 97
L.A. Lakers 27 30 31 26—114
V: D.Ellis 10-18 2-2 27, L.Ellis 9-19 3-3 23; L.A.: Vaught 15-18 1-1 31, Outlaw 7-10 4-6 18. Rebounds—Golden State 51 (Smith 12), Los Angeles 65 (Knight 15). Assists—Golden State 23 (Sprewell 7), Los Angeles 34 (Van Exel 10).

SATURDAY'S RESULTS

Milwaukee 23 19 21 25— 88
Indiana 28 21 18 19— 86
M: Robinson 9-16 4-5 23, Perry 7-11 4-4 19; I: Miller 5-14 12-13 24, D.Davis 7-12 3-5 17. Rebounds—Milwaukee 42 (Robinson 10), Indiana 50 (D.Davis 14). Assists—Milwaukee 15 (Baker, R.Allen), Indiana 16 (Best 6).

Toronto 24 25 18 31— 98
Chicago 30 35 22 23—110
T: Stoudamire 8-18 7-7 26, Camby 10-18 3-3 23; C: Jordan 10-16 1-2 24, Kukoc 8-16 1-2 16. Rebounds—Toronto 56 (Jones 16), Chicago 34 (Caffey 6). Assists—Toronto 17 (Stoudamire 11). Chicago 36 (Kukoc 13).

Sacramento 29 27 18 31—105
Washington 29 25 23 36—113
S: Richmond 13-26 7-7 38, Williamson 8-21 4-5 20; W: Webber 13-18 0-2 27, Strickland 7-13 7-8 21. Rebounds—Sacramento 49 (Smith 11), Washington 55 (Howard 13). Assists—Sacramento 19 (Richmond 6), Washington 26 (Strickland 9).

Boston 22 24 20 24—90
Atlanta 25 22 22 26—95
B: Walker 8-18 6-9 22, Day 7-16 2-2 17; A: Blaylock 8-17 3-4 24, Smith 8-22 1-1 18. Rebounds—Boston 44 (Walker 9), Atlanta 56 (Mutombo 15). Assists—Boston 17 (Brown 6), Atlanta 21 (Blaylock 6).

Charlotte 22 24 15 12— 73
Cleveland 29 23 21 33—106
C: Rice 8-18 2-2 18, Curry 5-12 0-0 12. C: Brandon 9-21 1-2 21, Hill 9-12 2-2 20. Rebounds—Charlotte 40 (Mason 10), Cleveland 57 (Hill 11). Assists—Charlotte 21 (Mason 4), Cleveland 27 (Brandon 13).

Philadelphia 23 21 21 30— 95
Detroit 26 30 24 24—104
P: MacLean 9-13 4-6 24, Stackhouse 6-19 5-11 19, Iverson 7-16 3-6 19; D: Hill 10-22 1-2 21, Hunter 5-14 6-6 17, Dumars 5-11 3-5 17. Rebounds—Philadelphia 62 (Weatherspoon, Cage 9), Detroit 52 (Hill 16). Assists—Philadelphia 19 (Iverson 7), Detroit 21 (Hill 10).

New Jersey 27 21 21 12— 81
Dallas 27 21 24 20— 92
N.J.: Gill 8-16 5-5 23, Williams 8-18 0-0 16; D: Mashburn 8-16 4-5 21, Jackson 8-12 4-6 20. Rebounds—New Jersey 48 (Massenburg 11), Dallas 43 (Green 8). Assists—New Jersey 16 (Peeves 6), Dallas 23 (Jackson 5).

Utah 19 24 20 28 14—105
Houston 28 15 20 28 9—100
U: Malone 9-21 9-9 27, Stockton 11-20 2-2 26; H: Olajuwon 14-29 12-14 41, Drexler 8-16 2-2 21. Rebounds—Utah 55 (Malone 17), Houston 56 (Olajuwon 15). Assists—Utah 25 (Stockton 11), Houston 28 (Barkley 8).

Minnesota 27 32 20 15— 94
Portland 21 31 32 17—101
M: Garnett 15-25 0-0 32, West 7-12 3-6 18; P: Rider 12-21 0-0 26, Anderson 6-18 6-6 19. Rebounds—Minnesota 44 (Garrett 7), Portland 53 (Dudley 12). Assists—Minnesota 25 (Porter 13), Portland 19 (Robinson 9).

Denver 26 15 25 17—83
Vancouver 23 20 17 22—82
D: L.Ellis 9-19 2-2 18, McDyess 4-12 5-8 13; Jackson 6-8 0-1 13. V: Reeves 11-23 1-2 23, Abdur-Rahim 9-15 3-5 21. Rebounds—Denver 55 (Johnson 11), Vancouver 52 (Abdur-Rahim, Reeves 9). Assists—Denver 20 (Jackson 10), Vancouver 25 (Moten, Edwards 6).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	27	14	7	61	153	120
Florida	24	14	10	58	138	113
N.Y. Rangers	25	19	7	57	177	143
New Jersey	24	17	5	53	121	115
Washington	20	23	5	45	129	135
Tampa Bay	18	22	6	42	133	144
N.Y. Islanders	16	23	9	41	133	142

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	26	17	5	57	178	149
Buffalo	25	19	5	55	141	131
Hartford	20	21	7	47	140	152
Montreal	18	23	8	44	155	172
Boston	18	24	6	42	140	170
Ottawa	14	22	9	37	122	134

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	27	17	4	58	143	117
Detroit	22	16	9	53	144	108
St. Louis	23	22	4	50	149	155
Phoenix	21	23	4	46	135	153
Chicago	17	26	8	42	128	138
Toronto	19	30	0	38	147	171

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	29	12	8	66	165	115
Edmonton	22	22	5	49	157	149
Vancouver	22	23	2	46	150	158
Anaheim	18	23	6	42	133	143
Calgary	17	25	6	40	119	142
Los Angeles	17	25	6	40	129	162
San Jose	17	24	5	39	121	146

FRIDAY'S RESULTS

N.Y. Islanders 1 2 2—5
Hartford 1 0 1—2
First Period: New York, Palffy 28, 2, H-Sanderson 25 (Emerson, Primeau) Second Period: New York, King 16 (McInnis, Green) 4, New York, King 17 (Green) Third Period: New York, King 18 (McInnis) 6, New York, Palffy 29 (Green) (en). 7, H-Rice 15 (O'Neill, Wesley) (pp). Shots on goal: New York 10-17-5—32. H- 5-11-20—36. Goalies: New York, Fichaud. H-Burke.

Edmonton 1 0 2—3
Buffalo 0 1 0—1
First Period: E-Kovalenko 24 (Weight, Oliver) (pp). Second Period: B-Ray 6 (Moore, Galley) Third Period: E-Smyth 24 (McGillis, Lowe) 4, E-McGillis 3 (Kovalenko, McAmmond) (pp). Shots on goal: E- 11-10-14—35. B- 5-13-5—23. Goalies: E-Joseph. B-Shields.

Calgary 1 1 0 0—2
Ottawa 0 1 1 0—2
First Period: C-Millen 6 (Simpson, Bouchard) Second Period: C-Millen 7, 3, O-Yashin 20 (Zholtok) Third Period: O-Alfredsson 17 (Redden, York) Overtime: None. Penalties—None. Shots on goal: C- 6-14-4-1—25. O- 7-12-13-1—33. Goalies: C-Kidd. O-Rhodes.

Dallas 1 3 1—5
Washington 1 0 1—2
First Period: D-Marshall 6 (Gilchrist, Verbeek) 2, W-Cote 3 (Bondra, Hunter) (pp). Second Period: D-Carbonneau 3 (Reid, Harvey) 4, D-Sydor 4 (Hogue, Modano) (pp). 5, D-Modano 18 (Sydor, Verbeek) (pp). Third Period: W-Konowalchuk 9 (Gonchar, Juneau) 7, D-Reid 12 (Gilchrist) (en). Shots on goal: D- 10-15-9—34. W- 14-11-13—38. Goalies: D-Irbe. W-Kolzig.

Toronto 0 1 0 1—2
Chicago 0 1 0 0—1
First Period: None. Second Period: C-Amonte 29 (Weinrich, Zhamnov) 2, T-Murphy 4 (Gilmour) (pp). Third Period: None. Overtime: 3, T-Muller 15 (Warriner) Penalties—None. Shots on goal: T- 11-8-10-3—32. C- 7-11-9-1—28. Goalies: T-Potvin. C-Hackett.

New Jersey 1 1 1—3
San Jose 0 1 0—1
First Period: N.J.-Zelepukin 6 (Stevens, Chambers) (pp). Second Period: S.J.-Guolla 2 (Friesen, Nolan) 3, N.J.-Sullivan 3 (Andreychuk) Third Period: N.J.-MacLean 15 (Andreychuk, Carpenter) (en). Shots on goal: N.J.- 13-6-9—28. S.J.- 5-9-5—19. Goalies: N.J.-Brodeur. S.J.-Terreri.

SATURDAY'S RESULTS

St. Louis 3 4 1—8
Montreal 0 1 0—1
1, S.L.-Hull 24 (Turgeon), 2, S.L.-MacInnis 11 (Hull, Courtnall) 3, S.L.-Pronger 5 (Murphy) Second Period: S.L.-Campbell 16 (Pellerin, Pronger) 5, S.L.-Murphy 13 (York) 6, M-Cullimore 1 (Corson), (sh). 7, S.L.-Campbell 17 (Murphy, MacInnis) (pp). 8, S.L.-Hull 25 (Turgeon, Courtnall) Third Period: S.L.-York 6 (Murphy, Pellerin) Shots on goal: S.L- 9-14-8—31. M- 7-16-8—31. Goalies: S.L.-Fuhr. M-Jablonski, Thibault.

Colorado 0 0 1—1
Boston 1 2 1—4
First Period: B-McCleary 3 (Kennedy, Stolos). Second Period: B-Oates 18 (Sweeney) 3, B-Donato 15 (Oates, Stumpel) (pp). Third Period: C-Lacroix 15 (Krupp, Forsberg) 5, B-Bourque 8. Shots on goal: C- 8-3-10—21. B- 14-4-7—25. Goalies: C-Billington. B-Tallas.

N.Y. Rangers 0 3 4—7
Pittsburgh 2 1 1—4
First Period: P-Nedved 21 (Hatcher, Daigneault) (pp). 2, P-Nedved 22 (Sandstrom, Olausson) (pp). Second Period: New York, Karpovtsev 5 (Messier, Leetch) (pp). 4, P-Barnes 12 (Hatcher) 5, New York, Lidster 2 (Gretzky, Robitaille) 6, New York, Robitaille 21 (Gretzky, Leetch) (pp). Third Period: P-Dziedzic 4 (Barnes, Hicks) 8, New York, Messier 27 (Gretzky, Driver) 9, New York, Graves 16 (Vorobiev, Messier) 10, New York, Nemchinov 4 (Noonan, Driver) 11, New York, Vorobiev 3 (Messier, Graves) (en). Shots on goal: New York 7-21-11—39. P- 12-10-10—32. Goalies: New York, Richter. P-Lalime.

Detroit 2 2 0—4
Philadelphia 0 1 0—1
First Period: D-Holmstrom 4 (Yzerman, Shanahan) (pp). 2, D-Shanahan 26 (Lapointe) Second Period: P-Brind'Amour 16 (Lindros, Niinimaa) (pp). 4, D-Draper 5, 5, D-Yzerman 13 (Larionov, Holmstrom) (pp). Third Period: None. Shots on goal: D- 13-11-7—31. P- 3-5-10—18. Goalies: D-Vernon. P-Hextall, Snow.

Tampa Bay 0 2 0—2
Florida 0 3 0—3
First Period: None. Second Period: F-Murphy 6 (Garpenlov, Lowry) 2, T-Burr 10, 3, F-Mellanby 17 (Lindsay, Niedermayer) 4, F-Mellanby 18 (Lindsay, Niedermayer) 5, T-Houlder 3 (Cullen, Selivanov) Third Period: None. Shots on goal: T- 5-10-15—30. F- 6-8-4—18. Goalies: T-Taborocci, Schwab. F-Vanbiesbrouck.

Chicago 0 0 2—2
N.Y. Islanders 1 0 2—3
First Period: New York, Palffy 30, (sh). Second Period: None. Third Period: C-Weinrich 6 (Shantz, Amonte) (pp). 3, C-Amonte 30 (Moreau, Weinrich) 4, New York, Smolinski 14 (Berard) 5, New York, Armstrong 5 (Wood, Hughes) Shots on goal: C- 14-17-18—49. New York 7-8-7—22. Goalies: C-Hackett 6-10-1. New York, Fichaud.

Hartford 3 0 2—5
Buffalo 0 0 1—1
First Period: H-Leschyshyn 4 (Emerson, Brown) (pp). 2, H-Emerson 5 (Dineen) (sh). 3, H-, Sandersson 26 (Emerson, Wesley) (pp). Second Period: None. Third Period: H-Domenichelli 1 (Primeau, Emerson) 5, B-Burridge 9 (Shannon) (sh). 6, H-, Emerson 6 (Domenichelli) Shots on goal: H- 10-2-6—18. B- 5-20-11—36. Goalies: H-Burke. B-Hasek.

Dallas 1 1 3—5
Toronto 0 0 1—1
First Period: D-Modano 19, (sh). Second Period: D-Hogue 11 (Modano, Lehtinen) Third Period: T-Clark 17 (Craig, Gilmour) 4, D-Nieuwendyk 15 (Langenbrunner) 5, D-Harvey 4 (Ludwig, Reid) 6, D-Hatcher 2 (Langenbrunner) Shots on goal: D- 9-11-10—30. T- 9-4-15—28. Goalies: D-Moog. T-Potvin.

Anaheim 1 0 1 0—2
Los Angeles 1 0 1 0—2
First Period: L.A.-Perreault 9, 2, A-Rucchin 11 (Kariya, Selanne) Second Period: None. Third Period: A-Pronger 1 (Mironov, Kariya) (pp). 4, L.A.-Numminen 10. Overtime: None. Shots on goal: A- 5-10-11-0—26. L.A.- 10-7-10-1—28. Goalies: A-Hebert. L.A.-Dafoe.

Vancouver 0 0 0—0
Phoenix 1 1 2—4
First Period: Phoenix, Roenick 13 (Numminen, Ronning) Second Period: Phoenix, Roenick 14 (Gartner, Korolev) Third Period: Phoenix, Gartner 21 (Korolev, Numminen) 4, Phoenix, Ronning 12 (Tverdovsky, MacIver) (pp). Shots on goal: V- 5-14-7—26. Phoenix 7-10-9—26. Goalies: V-Hirsch. Phoenix, Khabibulin.

N.Y. Islanders 1 2 2—5
Hartford 1 0 1—2
First Period: New York, Palffy 28, 2, H-Sanderson 25 (Emerson, Primeau) Second Period: New York, King 16 (McInnis, Green) 4, New York, King 17 (Green) Third Period: New York, King 18 (McInnis) 6, New York, Palffy 29 (Green) (en). 7, H-Rice 15 (O'Neill, Wesley) (pp). Shots on goal: New York 10-17-5—32. H- 5-11-20—36. Goalies: New York, Fichaud. H-Burke.

Edmonton 1 0 2—3
Buffalo 0 1 0—1 First Period: E-Kovalenko 24 (Weight, Oliver) (pp). Second Period: B-Ray 6 (Moore, Galley) Third Period: E-Smyth 24 (McGillis, Lowe) 4, E-McGillis 3 (Kovalenko, McAmmond) (pp). Shots on goal: E- 11-10-14—35. B- 5-13-5—23. Goalies: E-Joseph. B-Shields.

Calgary 1 1 0 0—2
Ottawa 0 1 1 0—2
First Period: C-Millen 6 (Simpson, Bouchard) Second Period: C-Millen 7, 3, O-Yashin 20 (Zholtok) Third Period: O-Alfredsson 17 (Redden, York) Overtime: None. Penalties—None. Shots on goal: C- 6-14-4-1—25. O- 7-12-13-1—33. Goalies: C-Kidd. O-Rhodes.

Dallas 1 3 1—5
Washington 1 0 1—2
First Period: D-Marshall 6 (Gilchrist, Verbeek) 2, W-Cote 3 (Bondra, Hunter) (pp). Second Period: D-Carbonneau 3 (Reid, Harvey) 4, D-Sydor 4 (Hogue, Modano) (pp). 5, D-Modano 18 (Sydor, Verbeek) (pp). Third Period: W-Konowalchuk 9 (Gonchar, Juneau) 7, D-Reid 12 (Gilchrist) (en). Shots on goal: D- 10-15-9—34. W- 14-11-13—38. Goalies: D-Irbe. W-Kolzig.

Toronto 0 1 0 1—2
Chicago 0 1 0 0—1
First Period: None. Second Period: C-Amonte 29 (Weinrich, Zhamnov) 2, T-Murphy 4 (Gilmour) (pp). Third Period: None. Overtime: 3, T-Muller 15 (Warriner) Penalties—None. Shots on goal: T- 11-8-10-3—32. C- 7-11-9-1—28. Goalies: T-Potvin. C-Hackett.

New Jersey 1 1 1—3
San Jose 0 1 0—1
First Period: N.J.-Zelepukin 6 (Stevens, Chambers) (pp). Second Period: S.J.-Guolla 2 (Friesen, Nolan) 3, N.J.-Sullivan 3 (Andreychuk) Third Period: N.J.-MacLean 15 (Andreychuk, Carpenter) (en). Shots on goal: N.J.- 13-6-9—28. S.J.- 5-9-5—19. Goalies: N.J.-Brodeur. S.J.-Terreri.

CRICKET

WEST INDIES TOUR
2DAY OF 4TH TEST MATCH
AUSTRALIA VS. INDIA
SUNDAY, AT ADELAIDE
Australia innings: 434 for five from 130 overs
West Indies first innings: 130 in 47.5 overs

ENGLAND TOUR
3DAY, FIRST TEST
NEW ZEALAND
SUNDAY, IN AUCLAND
New Zealand: first innings 390
England: 366 (overnight 123 for one)

TRIANGULAR SERIES
LIMITED OVERS MATCH
SOUTH AFRICA VS. ZIMBABWE
SATURDAY, IN PRETORIA
Zimbabwe innings: 211 all out (48.5 overs)
South Africa innings: 212 for five (46.1)
South Africa won by five wickets.

GOLF

Johnnie Walker Classic

Final leading scores Sunday of the $1.15 million Johnnie Walker Classic, played on Hope Island's 7,074-yard, par-72 The Links course at GOLD COAST, Australia:

1. E. Els, S. Africa	70-68-71-69—278
2. P. Lonard, Australia	69-69-69-72—279
3. M. Long, N.Zealand	68-68-71-72—279
4. F. Couples, U.S.	68-76-67-71—282
5. A. Painter, Aus.	67-73-67-75—282
6. N. Faldo, England	70-72-70-70—282
7. M.Campbell, N.Zeal.	70-71-74-68—283
8. S. Leaney, Aus.	69-72-75-67—283
9. D. Howell, England	69-72-75-67—283
10. P. O'Malley, Aus.	73-68-74-68—283

RUGBY UNION

EUROPEAN CUP
SATURDAY, IN CARDIFF
FINAL
Leicester, England 9 Brive, France 28

EUROPEAN CONFERENCE
SUNDAY, IN BEZIERS, FRANCE
FINAL
Bourgoin, France, 18, Castres, France, 9

SOCCER

AFRICAN NATIONS CUP QUALIFIERS
GROUP 1
Zimbabwe 0, Ghana 0
GROUP 2
Ivory Coast 1, Benin 0
Mali 1, Algeria 0
GROUP 3
Senegal 0, Egypt 0
GROUP 4
Guinea 1, Tunisia 0,
GROUP 5
Kenya 1, Gabon 0
Cameroon 4, Namibia 0
GROUP 6
Togo 2, Liberia 1
GROUP 7
Malawi 0, Zambia 2:
Mozambique 3 Mauritius 0

FOUR NATIONS CUP
AT SYDNEY, AUSTRALIA
Australia 1, Norway 0
South Korea 3, New Zealand 1
Final standings: Australia 9 points, South Korea 6, Norway 3, New Zealand 0.

SPANISH FIRST DIVISION
Real Madrid 4 Celta Vigo 0
Athletic Bilbao 5 Hercules 0
Barcelona 6 Rayo Vallecano 0
Sevilla 0 Racing Santander 0
Logrones 1 Real Sociedad 0
Compostela 2 Zaragoza 1
Valencia 1 Espanyol 1
Extremadura 1 Deportivo Coruna 0
Standings: 1.Real Madrid 49, 2.Barcelona 46, 3.Deportivo Coruna 39, 4.Real Sociedad 37, 5.Real Betis 36, 6.Atletico Madrid 35, 7.Valladolid 30, 8.Athletic Bilbao 32, 9.Racing Santander 30, 10.Tenerife 29, 11.Valencia 28, 12.Oviedo 25, 13.Celta Vigo 24, 14.Rayo Vallecano 23, 15.Espanyol 23, 16.Compostela 23, 17.Sporting Gijon 21, 18.Logrones 21, 19.Sevilla 18, 20.Hercules 18, 21.Zaragoza 15, 22.Extremadura 15.

FRENCH FIRST DIVISION
Marseille 1, Bastia 0
Bordeaux 4, Nice 1
Nantes 1, Le Havre 1
Strasbourg 3, Rennes 0
Nancy 2, Metz 3
Cannes 0, Lens 0
Guingamp 1, Lille 0
Montpellier 2, Lyon 1
Standings: 1. Monaco 48, 2. Paris St-Germain 44, 3. Bastia 42, 4. Bordeaux 40, 5. Strasbourg 40, 6. Metz 39, 7. Nantes 35, 8. Auxerre 35, 9. Marseille 33, 10. Guingamp 32, 11. Lyon 32, 12. Rennes 31, 13. Cannes 29, 14. Lille 29, 15. Le Havre 26, 16. Lens 26, 17. Montpellier 25, 18. Caen 20, 19. Nancy 19, 20. Nice 17.

ITALIAN FIRST DIVISION
Atalanta 4, Cagliari 1
Inter 1, Udinese 1
Juventus 3, Reggiana 1
Lazio 1, Bologna 2
Napoli 2, Parma 1
Sampdoria 5, Perugia 2
Verona 3, Milan 1
Vicenza 3, Fiorentina 2
Standings: 1. Juventus 36, 2. Sampdoria 32, 3. Vicenza 30, 4. Inter 29, 5. Bologna 28, 6. Atalanta 27, 7. Parma 27, 8. Napoli 27, 9. Fiorentina 26, 10. Milan 25, 11. Roma 23, 12. Lazio 23, 13. Udinese 23, 14. Piacenza 19, 15. Perugia 18, 16. Cagliari 15, 17. Verona 14, 18. Reggiana 10.

ENGLISH F.A. CUP
3D ROUND
Brentford 0, Manchester City 1
Coventry 1, Woking 1

3D ROUND REPLAYS
Bolton 6, Luton 2
Leeds 1, Crystal Palace 0
West Ham 0, Wrexham 1

4TH ROUND
Birmingham 3, Stockport 1
Carlisle 0, Sheffield Wednesday 2
Derby 3, Aston Villa 1
Everton 2, Bradford 3
Middlesbrough 3, Hednesford 2
Leicester 2, Norwich 1
Manchester United 1, Wimbledon 1
Portsmouth 3, Reading 0
Queens Park Rangers 3, Barnsley 2
Newcastle 1, Nottingham Forest 2
Chelsea 4, Liverpool 2

5TH ROUND DRAW
Birmingham vs. Peterborough or Wrexham
Leicester vs. Chelsea
Man. United or Wimbledon vs. Q.P.R.
Bolton or Chesterfield vs. Nottingham Forest
Bradford vs. Sheffield Wednesday
Man. City or Watford vs. Middlesbrough
Arsenal or Leeds vs. Portsmouth
Derby vs. Blackburn or Coventry or Woking
(Ties to be played on February 15 or 16.)

SKIING

WOMEN'S SUPER-G
SATURDAY, IN CORTINA D'AMPEZZO, ITALY
1. Isolde Kostner (Italy) one minute 17.04 seconds, 2. Pernilla Wiberg (Sweden) 1:17.14, 3. Katja Seizinger (Germany) 1:17.24, 4. Hilde Gerg (Germany) 1:17.47, 5. Michaela Dorfmeister (Austria) 1:17.58, 6. Renate Goetschl (Austria) 1:17.66, 7. Barbara Merlin (Italy) 1:17.80, 8. Florence Masnada (France) 1:17.81, 9. Alexandra Meissnitzer (Austria) 1:18.03, 10.Regine Cavagnoud (France) 1:18.11.

WOMEN'S GIANT SLALOM
SUNDAY, AT CORTINA D'AMPEZZO, ITALY
1. Deborah Compagnoni (Italy) two minutes 38.25 seconds (1:21.45/1:16.80), 2. Katja Seizinger (Germany) 2:38.84 (1:21.94/1:16.90), 3. Sonja Nef (Switzerland) 2:39.67 (1:22.35/1:17.32), 4. Pernilla Wiberg (Sweden) 2:40.29 (1:22.56/1:17.73), 5. Heidi Zurbriggen (Switzerland) 2:40.34 (1:23.42/1:16.92), 6. Sophie Lefranc (France) 2:40.54 (1:22.92/1:17.62), 7. Hilde Gerg (Germany) 2:40.80 (1:23.40/1:17.40), 8. Andrine Flemmen (Norway) 2:41.38 (1:23.33/1:18.05), 9. Anita Wachter (Austria) 2:41.60 (1:23.95/1:17.65), 10.Karin Roten (Switzerland) 2:42.01 (1:23.35/1:18.66).

Overall standings: 1. Pernilla Wiberg 1,239 points, 2. Katja Seizinger 945, 3. Deborah Compagnoni 755, 4. Hilde Gerg (Ger) 694, 5. Anita Wachter 569, 6. Isolde Kostner (Ita) 564, 7. Heidi Zurbriggen (Swi) 534, 8. Martina Ertl (Ger) 451, 9. Urska Hrovat (Slo) 428, 10. Renate Goetschl (Aut) 367.

MEN'S DOWNHILL
SATURDAY, IN KITZBUEHEL, AUSTRIA
1. Fritz Strobl (Austria) 1 minute 51.58 seconds, 2. Werner Franz (Austria) 1:52.15, 3. Luc Alphand (France) 1:52.20, 4. Josef Strobl (Austria) 1:52.24, 5. Kristian Ghedina (Italy) 1:52.50, 6. Atle Skaardal (Norway) 1:52.60, 7. Guenther Mader (Austria) 1:52.89, 8. Hannes Trinkl (Austria) 1:52.97, 9. Franco Cavegn (Switzerland) 1:53.20, 10. Lasse Kjus (Norway) 1:53.36.

MEN'S SLALOM
SUNDAY, IN KITZBUEHEL, AUSTRIA
1. Mario Reiter (Austria) 1:36.09 (47.03/49.06), 2. Alberto Tomba (Italy) 1:36.28 (47.56/48.72), 3. Finn Christian Jagge (Norway) 1:36.54 (47.12/49.42), 4. Thomas Stangassinger (Austria) 1:36.70 (47.05/49.65), 5. Kiminobu Kimura (Japan) 1:36.71 (48.02/48.69), 6. Andrej Miklavc (Slovenia) 1:36.86 (47.86/49.00), 7. Thomas Sykora (Austria) 1:37.08 (46.86/50.22), 8. Markus Eberle (Germany) 1:37.14 (48.24/48.90), 9. Ole Christian Furuseth (Norway) 1:37.18 (47.97/49.21), 10. Jure Kosir (Slovenia) 1:37.27 (47.62/49.65)

Combined downhill and slalom results: 1. Lasse Kjus (Nor) 3:31.50, 2. Kjetil Andre Aamodt (Nor) 3:32.00, 3. Werner Franz (Aut) 3:35.26, 4. Hans Knauss ((Aut) 3:36.32, 5. Paul Accola (Swi) 3:36.36, 6. Fritz Strobl (Aut) 3:36.40, 7. Kristian Ghedina (Ita) 3:37.05, 8. Josef Strobl (Aut) 3:38.73, 9. Andreas Schifferer (Aut) 3:39.58, 10. Markus Herrmann (Swi) 3:41.49.

OVERALL STANDINGS: 1. Kjetil Andre Aamodt 701 points, 2. Luc Alphand 637, 3. Kristian Ghedina 620, 4. Thomas Sykora 618, 5. Michael Von Grnnigen (Swi) 606, 6. Werner Franz 545, tie Hans Knauss 545, 8. Josef Strobl 500, 9. Guenther Mader (Aut) 459, 10. Fritz Strobl 451.

TENNIS

Australian Open

WEEKEND RESULTS
WOMEN SINGLES FINAL
Martina Hingis (4), Switzerland, def. Mary Pierce, France, 6-2, 6-2.
MEN SINGLES FINAL
Pete Sampras (1), U.S., def. Carlos Moya, Spain, 6-2, 6-3, 6-3.
MEN DOUBLES FINAL
Mark Woodforde and Todd Woodbridge, Australia (1), def. Sebastien Lareau, Canada, and Alex O'Brien, U.S. (7), 4-6, 7-5, 7-5, 6-3.
MIXED DOUBLES FINAL
Manon Bollegraf, Netherlands, and Rick Leach, U.S. (3), def. Larisa Neiland, Latvia, and John-Laffnie de Jager, South Africa, 6-3, 6-7 (5-7), 7-5.
JUNIOR BOYS SINGLES FINAL
Daniel Elsner (1), Germany, def. Wesley Whitehouse (14), South Africa, 7-6 (7-3), 6-2.
JUNIOR GIRLS SINGLES FINAL
Mirjana Lucic (1), Croatia, def. Marlene Weingartner (2), Germany, 6-2, 6-2.
JUNIOR BOYS SINGLES FINAL
Daniel Elsner (1), Germany, def. Wesley Whitehouse (14), South Africa, 7-6 (7-3), 6-2.

Davis Cup

EURO/AFRICAN ZONE
FRIDAY MATCHES
Macedonia def. Turkey 2-1.
San Marino def. Ethiopia 2-1.
Senegal def. Luxembourg 2-1.
Bosnia def. Armenia 3-0
SATURDAY MATCHES
Senegal def. Turkey 2-1
Luxembourg def. Macedonia 2-1
San Marino def. Armenia 3-0
Bosnia def. Ethiopia 3-0
SUNDAY, IN DAKAR,
GROUP 3 FINAL
Luxembourg def. Senegal 2-1
Pascal Schaul def. Jean Noel Said 6-2, 6-4
Socha Thiama lost to Y. Doumbia 2-6, 2-6.
Adrian Graimprey/Johny Goudenbour def. Yahya Doumabia/Thierono Ly 7-6, 7-6
Luxembourg and Senegal both qualify for Group 2

THE WEEK AHEAD

MONDAY, JAN. 27

ATHLETICS Sydney — International meeting.
LUGE Winterberg, Germany — World Cup event (to Feb. 2).
TENNIS, Zagreb, Croatia — men, ATP Tour, Croatian Indoors (to Feb. 2). Shanghai, China — men, ATP Tour, Shanghai Open, (to Feb. 2). Tokyo, Japan — women, WTA Tour, Toray Pan Pacific Open, (to Feb. 2).
CRICKET, Cape Town, South Africa — one-day international, India vs. Zimbabwe.

TUESDAY, JAN. 28

SWIMMING, Glasgow, Scotland — FINA, World Cup short-court meet, (to Jan. 29).

WEDNESDAY, JAN. 29

ALPINE SKIING, Laax, Switzerland — men, FIS, Alpine World Cup, super-giant slalom.
CRICKET, Cape Town, South Africa — one-day international, South Africa vs.
SOCCER, Lisbon, Portugal — Europe vs. Africa All Stars. Kunming, China — China vs. United States.

THURSDAY, JAN. 30

CRICKET, Wanganui, New Zealand — New Zealand A vs. England (to Feb. 2).
GOLF, Perth, Australia — men, European PGA Tour, Heineken Classic, (to Feb. 2); Pebble Beach, California — men, U.S. PGA Tour, Pebble Beach National Pro-Am, (to Feb. 2).
NORDIC SKIING, Hakuba, Japan — FIS, Nordic combined, World Cup event.
ALPINE SKIING, Schladming, Austria — men, FIS, Alpine World Cup, slalom.

FRIDAY, JAN. 31

CRICKET, Johannesburg, South Africa — one-day international, South AFrica vs. Zimbabwe.
BIATHLON, Osrblie, Slovakia — World Championships (to Feb. 9).
TABLE TENNIS, Eindhoven, Netherland — European Top 12 event (to Feb 2).
LUGE, Winterberg, Germany — men, women, FIL, World Cup, (to Feb. 2).
SOCCER, Lisbon, Portugal — Meridian Cup, under-17 tournament, Africa vs. Europe — France, Greece, Portugal, Spain, Ghana, Guinea, Ivory Coast, Nigeria, (to Feb. 9.

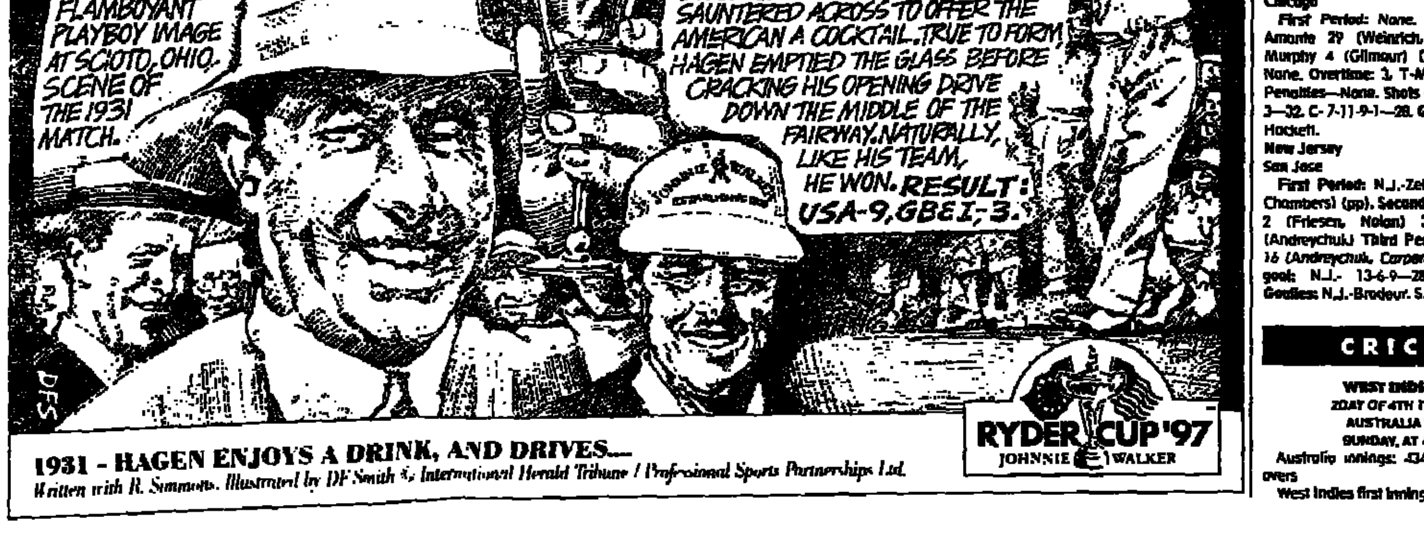
SATURDAY, FEB. 1

ALPINE SKIING, Laax, Switzerland — World Cup women's downhill, slalom and combined (to Feb. 2).
NORDIC SKIING, Willingen, Germany — World Cup ski jumping (to Feb. 2).
SPEED SKATING, Hamar, Norway — World Sprint Championships (to Feb. 2).
BOBSLEIGH, St Moritz, Switzerland — World Championship 4-man event (to Feb. 2).
CRICKET, Perth, Australia — Australia vs. West Indies, fifth test (to Feb. 5).
RUGBY UNION, — Five Nations Championship: Wales vs. Ireland: Cardiff England vs. Scotland.
ATHLETICS, Tourcoing, France — IAAF World Cross Challenge.
SWIMMING, Gelsenkirchen, Germany — FINA World Cup event (to Feb. 2).
CYCLING, Munich, Germany — World cyclo-cross championships (to Feb. 2)
FIELD HOCKEY, New Delhi, India — Indira Gandhi Gold Cup men's tournament (to Feb. 10).
SOCCER, Canton, China — China vs. United States.

SUNDAY, FEB. 2

ALPINE SKIING, Sestriere, Italy— World Championships (to Feb. 16).
FREESTYLE SKIING, Nagano, Japan— World Championships (to Feb. 9).
AMERICAN FOOTBALL, Honolulu— AFC vs. NFC, Pro Bowl.
ATHLETICS, Valencia, Spain — Valencia Marathon.
CRICKET, Port Elizabeth, South Africa — one-day international, South Africa vs. India.

ADVERTISEMENT



1931 - HAGEN ENJOYS A DRINK, AND DRIVES...
Written with R. Simmons. Illustrated by DF Smith © International Herald Tribune / Professional Sports Partnerships Ltd.

SPORTS

'It's the Superdome. It's Super, Man'

New Orleans's Warm and Windless Stadium Is a Passer's Paradise

New York Times Service

Super Bowl / **DAVE ANDERSON**

NEW ORLEANS — In Super Bowl XXXI on Sunday night, Brett Favre and Drew Bledsoe were set to turn the Louisiana Superdome into a shooting gallery.

In its four previous Super Bowls, the Superdome has been a passer's paradise: warm and windless with a flat flying carpet that seems to make fast pass receivers even faster. And without having to adjust their trajectory to a crowned surface that slopes to the sideline, accurate quarterbacks seem to be even more accurate.

In the 49ers' 55-10 rout of the Broncos seven years ago, Joe Montana completed 22 of 29 passes for 297 yards and five touchdowns.

In the other Super Bowls in the Superdome, Roger Staubach, Jim Plunkett and Jim McMahon thrived. And as the Packers and Patriots await Sunday night's showdown, the young guns, Favre and Bledsoe, appreciate their stage. "It's a controlled climate, it's flat; what better place to throw?" Favre said. "It's the Superdome. It's super, man."

In two games here against the Saints, the Packer quarterback helped his team win both of them: by 20-19 in 1993 when his 54-yard pass to Sterling Sharpe positioned the winning field goal, and by 34-23 in 1995 when he completed 21 of 30 for 308 yards and four touchdowns. In two games for Southern Mississippi against Tulane, he also won twice.

With a little boy's mischief in his eyes, the 27-year-old Favre tends to be excitable, especially early when he often throws what Coach Mike Holmgren calls "rocket" balls.

"The first six passes, I never know where they're going to go," Favre acknowledged. "If nobody's open, they want you to dump it off for a 3-yard gain, but anybody can do that. I'd rather throw the 50-yard pass, but if Mike calls for me to dump it off, I will."

As the National Football League's most valuable player the last two seasons, he is still daring, but he is not reckless.

Terry Glenn and Shawn Jefferson, the Patriot wide receivers, are sprinters, but "when push comes to shove," Bledsoe said, "my tight end, Ben Coates, is the guy I look for."

And, at 24, the Patriot quarterback knows he is only as good as his protection. "Our interior linemen have to stop the Packer push up the middle," Bledsoe said. "If they do, I'll be able to step up in the pocket."

Bledsoe has never played in the Superdome, but the Patriot quarterback realizes its advantages.

"Great weather, a flat, fast track," he said. "It should help us. We've got good team speed."

When the 1977 Cowboys won the first Super Bowl in the Superdome, 27-10 over the Broncos, Staubach used that flat, fast track to change Butch Johnson's pass pattern in the huddle.

"Run a post," Staubach said.

He did — after a protest — streaked toward the goal post, stretched in midair, grabbed Staubach's pass and bounced into the end zone for a 27-yard clinching touchdown.

When the 1980 Raiders stopped the Eagles, 27-10, Plunkett threw for three touchdowns, including an 80-yarder to Kenny King that remains a Super Bowl record. When the 1985 Bears routed the Patriots, 46-10, McMahon turned only 12 completions into 256 yards.

With the Super Bowl in warm weather or in domes, passers from Bart Starr and Joe Namath to Terry Bradshaw and Troy Aikman have invariably excelled. "You can't believe how good it feels to throw a football in warm weather," Phil Simms said when the 1986 Giants were practicing for Super Bowl XXI.



Shaun Best/Reuters

The Canadiens' Jassen Cullimore breaking away after running the Blues' Brett Hull into the boards.

Rangers Make the Penguins See Stars

The Associated Press

NHL ROUNDUP

The scoreboard read: Rangers 7, Penguins 4.

The hidden but all-decisive score: Wayne Gretzky-Mark Messier 6, Mario Lemieux-Jaromir Jagr 0.

New York's superstars outplayed the National Hockey League's top two scorers, figuring in all but one goal as the Rangers came from behind three times on Saturday to beat the suddenly slumping Penguins in Pittsburgh.

The Penguins have lost two straight games since going 12-0-2.

"They only have one line that scores, and they didn't score," the Rangers' Luc Robitaille said of the Lemieux-Jagr-Ron Francis combination. "If you keep the puck away from them, they can't score."

Messier had one goal and three assists, and Gretzky, the NHL's No. 3 scorer, set up three consecutive New York goals despite being held without a goal for the 11th consecutive game.

Panthers 3, Lightning 2 In Miami, Scott Mellanby ended his scoring slump with two goals in 50 seconds to lead Florida past Tampa Bay.

A potential game-tying goal by Tampa Bay's Alex Selivanov on a rebound was disallowed with 3:59 left.

Blues 5, Canadiens 1 Brett Hull and Jim Campbell scored two goals each. It was St. Louis' fourth consecutive victory and the Canadiens' worst loss at the Molson Center in Montreal.

Al MacInnis, Chris Pronger, Harry York and Joe Murphy also scored for the Blues, who are 6-2-2 in their last 10 games.

Bruins 4, Avalanche 1 In Boston, Trent McCleary scored 25 seconds after the opening faceoff and the Bruins went on to defeat Colorado in only its second loss in 15 games.

Ray Bourque also scored for the Bruins, the 1,338th point of his 18-year career, leaving him one shy of John Bucyk's team record of 1,339.

Red Wings 4, Flyers 1 Steve Yzerman, Brendan Shanahan and Tomas Holmstrom each had a goal and an assist in Philadelphia.

Kris Draper also scored for Detroit, who won only its second game in 10 starts (2-5-3).

Islanders 3, Blackhawks 2 In Uniondale, New York, Eric Fichaud made 47 saves and Derek Armstrong's goal with 5:21 remaining led the New York Islanders to victory. Zigmund Palffy and Bryan Smolinski also scored for the Islanders, who were 0-8-5 against Chicago at Nassau Coliseum.

Stars 5, Maple Leafs 1 Visiting Dallas broke up a close game with consecutive goals by Joe Nieuwendyk, Todd Harvey and Derian Hatcher in the last 11 minutes.

Mike Modano and Benoit Hogue also scored for the Stars. Wendel Clark was the only scorer for Toronto, who lost their league-high 30th game.

Whalers 5, Sabres 1 Nelson Emerson had two goals and three assists, and Hartford built a 3-0 lead in the first period en route to victory over Buffalo that snapped the Whalers' nine-game road losing streak.

Mighty Ducks 2, Kings 2 In Inglewood, California, Kai Nurminen scored the tying goal with 2:45 left in the third period, but the Kings lost four other goals to a video replay, a delayed penalty and two goalposts.

Coyotes 4, Canucks 0 In Phoenix, Jeremy Roenick scored twice and Nikolai Khabibulin made 26 saves for his third career shutout.

Khabibulin, made 10 of his saves during the first 6:56 of the second period as the Canucks outshot the Coyotes 10-2.

Hornacek's Clutch Shooting Lifts Jazz

The Associated Press



Scott Olson/Reuters

Bulls' Michael Jordan keeping the ball away from Raptors' John Long.

Karl Malone and John Stockton got the points, and Jeff Hornacek got the praise.

Malone had 27 points and 17 rebounds, and Stockton had 26 points Saturday night as the Utah Jazz beat the Houston Rockets for the first time this season, 105-100, in overtime. The Jazz coach, Jerry Sloan, pointed to Hornacek's overtime clutch shooting as the difference.

"He's always doing that kind of thing," Sloan said. "The thing about Jeff is even when you're down 10 points, some guys try to pad their stats, but he keeps trying to play the game until it's over. He's always done that, and it's rare in this business."

NBA ROUNDUP

Hornacek had a 3-pointer to give the Jazz a 98-93 lead with 2:17 to go in overtime and a twisting layup with 28 seconds left that made it 102-97 and ended Houston's comeback attempt. He also sent the game into overtime with two free throws with less than a second to go.

The Rockets had beaten the Jazz by a total of nine points in their first two meetings, and this one was also a thriller.

Hakeem Olajuwon, who had a season-high 41 points and 15 rebounds, scored the first basket of overtime, but Byron Russell's tip-in with 3:33 left tied it. Malone then put Utah ahead for good with two free throws.

Bulls 110, Raptors 98 Michael Jordan scored 24 points, and Toni Kukoc had 18 points and a career-high 13 assists as the Chicago Bulls defeated their unlikely nemeses, the Toronto Raptors, 110-98, in Chicago.

From March 24 until Saturday, Chicago was 0-2 against Toronto and 48-6 against the rest of the league. But the Bulls made sure that trend wouldn't continue, as they built a 55-32 lead and cruised to their 13th straight home victory.

Hawks 95, Celtics 90 Mookie Blaylock made three free throws and Eldridge Recasner two in the final 15 seconds as the Hawks held off Boston for their 19th consecutive home victory, the NBA's longest streak this season.

Dikembe Mutombo's jam gave Atlanta an 83-82 lead with 3:46 left, and the Hawks did not trail again on the way to their 12th win in 13 games.

Bullets 113, Kings 105 In Landover, Maryland, Rod Strickland scored eight points in a 12-0 fourth-quarter run that enabled Washington to pull away and end a three-game losing streak.

Chris Webber scored 27 points for the Bullets, who had lost six of seven. Strickland finished with 21 points, including 15 in the fourth quarter. Juwan Howard scored 20 and Calbert Cheaney 17.

Cavaliers 106, Hornets 73 In Cleveland, Tyrone Hill had 20 points and 11 rebounds and Cleveland snapped out of a slump with its biggest victory margin this season.

Pistons 104, Sixers 98 In Auburn Hills, Michigan, Theo Ratliff had 16 points, a career-high eight blocks and a season-high 10 rebounds and Grant Hill's triple-double paced Detroit. The victory gives the Pistons a franchise-record 30-11 record at the season's halfway point.

Mavericks 92, Nets 81 Jamal Mashburn had 21 points, Jim Jackson had 20 and the Mavericks' defense shut out New Jersey over the final 5:15 in Dallas to snap a three-game losing streak.

Trail Blazers 101, Timberwolves 94 Isaiah Rider scored 14 of his 26 points in the third quarter to lead Portland. Traded by Minnesota in the off-season, Rider made 6 of 8 field-goal attempts in the third quarter as the Blazers erased the visitors' 9-point lead. After the Timberwolves cut Portland's lead to 94-91, Rider made consecutive baskets to put the Blazers up by seven with 1:25 left.

Nuggets 83, Grizzlies 82 In Vancouver, British Columbia, LaPhonso Ellis jammed in a rebound with 2.6 seconds remaining to ruin Stu Jackson's coaching debut with the Grizzlies.

Ellis, who had 18 points, scored his game winner after Greg Anthony's two free throws with 9.7 seconds left had given the Grizzlies a one-point lead. Jackson, Vancouver's general manager, appointed himself the club's interim coach on Friday after firing Brian Winters.

Wake Forest Rallies Again And Squeaks By Florida State

The Associated Press

The recent insertion of the 7-foot-1-inch freshmen Loren Woods into the starting lineup alongside the All-America Tim Duncan has given No. 4 Wake Forest quite a front line.

Wake Forest dug itself a first-half hole for the third straight home game, but Duncan was there again to rescue the Demon Deacons, scoring 22 points, in a 61-58 home victory over Florida State.

Wake Forest (15-1, 7-1 Atlantic Coast Conference), playing less than 48 hours after beating No. 2 Clemson on the road, won despite starting the game 1-for-15 from 3-point range and falling behind by 13 points in the first half.

COLLEGE BASKETBALL

The Seminoles (11-5, 2-5) had two chances in the game's final seconds to either tie the game or win it.

No. 5 Utah 78, Rice 58 Keith Van Horn scored 23 points, and Michael Doleac added 20 as Utah routed Rice in the first game between the schools since 1963.

Van Horn made 10 of his 15 shots, including two 3-pointers for Utah (13-2, 5-0 Western Athletic Conference). He played just 26 minutes in the runaway. Doleac hit 8 of 13 shots, and also led the Utes with 10 rebounds.

No. 6 Louisville 74, UCLA 71 Reserve guard B.J. Flynn scored 16 points, including the go-ahead 3-pointer with 37 seconds left.

Louisville (16-2) overcame visiting UCLA's 55 percent shooting (26 of 47) by getting a 27-5 edge in points from the bench. Reserve forward Eric Johnson also gave the Cardinals a boost with 10 points and eight rebounds.

No. 8 Minnesota 91, Purdue 68 In Minneapolis, Bobby Jackson had 20 points and eight rebounds as Minnesota continued its push toward its first Big Ten title since 1982.

Minnesota (18-2, 7-1) is off to its best conference start since the 1916-17 team started 8-1 on its way to the Big Ten championship.

No. 11 Arizona 86, Oregon 66 In Tucson, Michael Dickerson scored 18 of his 20 points in the second half, and Arizona defeated Oregon for its 12th straight victory over the Ducks.

Arizona (12-4, 5-2 Pac-10) withstood several second-half comeback attempts by the Ducks (11-5, 2-5).

No. 12 Villanova 84, No. 22 Boston College 66 Alvin Williams scored 23 points and hit three 3-pointers during a game-breaking 22-7 first-half run. Jason Lawson finished with 21 points, and freshman Tim Thomas added 19 for the Wildcats (15-4, 6-3 Big East), who had lost three of their last five conference games. It was the Eagles' (13-4, 7-2) 11th consecutive loss against a ranked opponent.

No. 13 Michigan 74, Michigan St. 61 Maurice Taylor scored 18 points before fouling out with 8:01 left, then the rest of Michigan's front line stepped up for the victory. All three of the powerful low post players finished in double figures for Michigan (14-5).

No. 14 Iowa St. 64, No. 20 Texas Tech 61 Iowa State, anchored by Kelvin Cato inside, held the 20th-ranked Red Raiders to a season-low 34.4 percent shooting in the first game between the schools since 1956.

No. 15 New Mexico 61, Texas-El Paso 49 David Gibson's 11 points rescued an offensively starved New Mexico team in the second half.

Gibson, who finished with 11 points, scored three of New Mexico's six field goals in the final 20 minutes and added three free throws for the Lobos (15-3, 4-2 Western Athletic Conference).

Duquesne 78, No. 16 Xavier 70 In Cincinnati, Tom Pipkins tied his career high with 30 points, 10 of them in the final four minutes, as Duquesne overcame a second-half letdown and beat Xavier.

No. 17 Stanford 81, Washington St. 61 Tim Young had 19 points and Brevin Knight added 17 points and seven steals as Stanford used its height advantage and a couple of scoring runs to defeat Washington State.

No. 24 Tulsa 72, Brigham Young 56 In Provo, Utah, Rod Thompson's steal and two free throws with 2:50 left blunted a comeback try, sending the Cougars to their 15th loss in 16 games.



SOCCER Chelsea Downs Liverpool p. 18 **FIGURE SKATING** The Decline of France p. 18 **NBA ROUNDUP** p. 19 TOMORROW: STYLE

Herald International Tribune
SPORTS
PAGE 20 MONDAY, JANUARY 27, 1997

WORLD ROUNDUP



Nigel Marple/Reuters

Alec Stewart, on his way to scoring 173 runs for England.

Almost a Double

CRICKET A near double century by wicketkeeper Alec Stewart and a return to form by skipper Mike Atherton ensured that England's hopes were kept alive in their first test match against New Zealand on Sunday in Auckland.

By the close of the third day the test was evenly balanced, with England at 366 for six in reply to New Zealand's first innings total of 390.

Stewart started the morning on 67 and hardly put a foot wrong on his way to 173. He drove impressively and was quick to punish anything short.

• In Adelaide, Australia's batsmen dominated a weak West Indies bowling attack on the second day of their fourth test on Sunday, creating a hefty lead that virtually assures Australia will at least draw the match. Australia was 434 for five at the close of play, increasing its lead to 304 from nine at the start of the day. *(Reuters)*

Shula: Shoo-In to Fame

FOOTBALL One part of this year's Pro Football Hall of Fame election was a no-brainer. Don Shula, eligible for the first time, is the winningest coach in National Football League History. Case closed.

Shula's 347 victories over a 33-year coaching record made him almost an automatic pick Saturday. He was elected, along with Wellington Mara, who has spent 60 years as an executive in the league; Mike Haynes, who played 14 seasons at cornerback for the New England Patriots and Los Angeles Raiders, and Mike Webster, who played 17 seasons at center, almost all of them with the Pittsburgh Steelers.

Shula's teams compiled a winning percentage of .665, and he reached the Super Bowl a record six times. He also coached the Miami Dolphins to a 17-0 record in 1972, the only perfect season in NFL history. *(AP)*

Doping in China

ATHLETICS China caught 10 athletes using banned substances in 1996, Yuan Weimin, deputy minister of the State Physical Culture and Sports Commission, said Sunday.

Sports authorities carried out 2,080 doping tests in 1996, up nine percent from the previous year, he said. Yuan did not identify the athletes and did not say if they had been punished. *(Reuters)*

Another Jordan Record

BASKETBALL Michael Jordan on Sunday became the first player to receive more than 2 million votes for the NBA All-Star game in one season. In final fan voting for the Feb. 9 game at Cleveland, the Chicago Bulls guard led all players in votes for a record eighth time with 2,451,136. *(AP)*

Sampras Routs Moya In Australian Oven

He Clinches 'Toughest Major' in 3 Sets

The Associated Press

MELBOURNE — Of all nine of Pete Sampras' Grand Slam titles, the Australian Open he won Sunday punished his body the most.

Suffocating heat, soft, heavy balls, a slower than usual hard court, and long, draining matches all conspired to wear him down.

Not that anyone could tell by the way Sampras dispatched the young Carlos Moya of Spain, 6-2, 6-3, 6-3 in 87 minutes in the final.

Sampras proved he had enough legs left, even after two five-set matches in the semifinals and quarterfinals, to go the distance again. Moya, the 20-year-old surprise of the tournament, was the one who seemed sluggish.

"This is the toughest major I've won, physically, with the heat and the heavy balls," said Sampras, who had to ice down his aching right arm after every match and practice. "The balls are not favorable to my game. It's tough to put the ball away with these balls."

The oven-like heat — more than 100 degrees Fahrenheit (37.8 centigrade) on court Sunday and up to 140 degrees (60 centigrade) other days — made this tournament tougher for Sampras even than the U.S. Open he won last year after vomiting and nearly collapsing on court in the quarter-finals against Alex Corretja.

But in winning his second Australian title, Sampras was threatened only by strings popping on five of his rackets.

The victory, in the most one-sided Australian final in eight years, separated the No. 1 American from all but one of the greats of the open era.

Only Bjorn Borg, with 11 Grand Slam titles, has more majors than Sampras since the start of open tennis in 1968. Sampras had been tied at eight with Jimmy Connors and Ivan Lendl. Roy Emerson leads the all-time men's list with 12 majors, Rod Laver won 11 — only five in open play — and Bill Tilden captured 10 in the 1920s and 1930s.

"That's how you base your career, on Grand Slam titles," Sampras said. "I put pressure on myself to do well in them. To have won one is a great start to the year."

Sampras served 12 aces to Moya's two, but it was not sheer power that earned him this title. With the temperature 90 degrees in the shade and a bright sun burning through a partly cloudy sky, Sampras sacrificed speed for placement as he kept the unseeded Moya guessing.

Unlike earlier matches this tournament and in the U.S. Open last year, Sampras coped easily with the heat this time. He seemed to be playing so effortlessly that the crowd and Moya were lulled into watching him as if expecting winner after winner. Sampras obliged with 38 winners — 11 on volleys — while the baseline-hugging Moya managed only 13 winners and no volleys.

"Pete, we want a fourth set!" a spectator yelled after Sampras took a 3-1 lead on his serve in the third set.

Sampras responded with a forehand drop-shot winner on the next point.

Sampras had no desire to let this match go longer than necessary, and only a shortage of string or rackets could have stopped him on this day. He popped a string in the second game of the match, another one two games later, two more in the second set, and another in the third set as heat and humidity played havoc with his tightly strung rackets.

Sampras had played enough tennis in this tournament, surviving two five-setters at the U.S. Open, and this victory extended his Grand Slam winning streak to 14 matches.

Sampras said that when he awoke Sunday he thought about his late coach, Tim Gullikson, who was diagnosed with brain cancer here two years ago. Sampras said Gullikson would always be on his mind when he plays.

"This is where it all happened," Sampras said. "I'm sure he's looking down and is very happy that I fought through some tough matches."

Sampras, who fell in the third round at the Australian last year, spoke to the crowd about how difficult 1996 had been as he struggled with Gullikson's death. Then he drew laughter when he responded to a female fan: "I love you, too, babe."



Steve Holland/The Associated Press

Pete Sampras cooling down after his victory in the Australian Open final.

Hingis's Victory Breaks A Forever Young Record

By Robin Finn
New York Times Service

MELBOURNE — Although a name does not a champion make, the die was cast on this champion's destiny when her parents named their only daughter after Martina Navratilova, the greatest tennis player to emerge from their native Czechoslovakia.

On Saturday, on a sun-drenched center court a continent away from her European roots, 16-year-old Martina Hingis emphatically claimed that destiny, and then some.

In Melbourne, Hingis became the youngest Grand Slam champion in more than a century by shellacking another former prodigy, 22-year-old Mary Pierce, 6-2, 6-2, in the women's final of the Australian Open.

With that convincing victory, Hingis, who had turned professional upon reaching 14, became the youngest women's champion of the Open era, and the youngest in tennis history since 15-year-old Lottie Dodd won Wimbledon in 1887.

Hingis also won the doubles title at the Australian Open on Friday, with Natasha Zvereva of Belarus. The last to claim both the women's singles and women's doubles championships at the Australian Open was Navratilova, in 1985.

Hingis was born in Kosice, in what is now called Slovakia, where her father, Karol, coached and managed a tennis club. Her mother, Melanie Zogg, was a former player of little renown, but the parents' ambitions for their only daughter were great. They put a racket in Hingis's hands when she was 2, and she entered her first tournament at 4.

"I lost, 12-0," a smiling Hingis recalled after her triumph Saturday, "but I think I had a couple of break points."

Hingis's parents separated when she was 7, and she and her mother relocated to Trubbach, Switzerland, where the prodigy's tennis education continued under the mother's watchful eye.

At 12, Hingis became the youngest junior French Open champion in the history of that event, a title she won again at 13, when she also added the junior titles at Wimbledon and the U.S. Open to her amateur repertory.

Although age eligibility rules now prohibit 14-year-old girls from playing on the WTA Tour, Hingis was allowed on the professional circuit just before the rule was imposed.

She played her first professional event in Zurich in 1994, two weeks after her 14th birthday. But hampered by a weak serve, she did not immediately find success among her elders. She did, however, instantly distinguish herself with her consummate poise.

Despite her being named after Navratilova, whose net-rushing style has yet to be replicated, Hingis's on-court demeanor was reminiscent of that of Navratilova's arch-rival, Chris Evert. Like Evert, Hingis initially tended to rule from the baseline with a combination of deep, accurate ground strokes and an icy resolve to never miss a ball.

At her first professional event, at 14, she distinguished herself with her consummate poise.

In the last six months, Hingis shored up her serve, improved her volley and commenced the campaign that brought her the historic victory Saturday.

Her opponent, Pierce, said that Hingis definitely did not play like a rookie anymore, and that her innate ability not just to place but to anticipate the ball rendered her unstoppable in Melbourne.

"It's tough when you have someone on the other side who's just there at every ball and making great shots off my good shots," said Pierce, who had beaten Hingis in all three previous encounters.

Hingis kept herself relaxed between matches by going roller-skating and horseback riding, her favorite hobby. Although she took a spill last week, Hingis not only got right back on the horse that threw her, but she also contemplated buying it.

Already a millionaire through her tennis prize money, Hingis picked up an additional $10 million by signing a contract with the apparel company Sergio Tacchini.

"I won this title, and it's a big time for me," Hingis said about her prospects of chasing future Grand Slams and the No. 1 ranking. "I have a pretty big chance. I mean, why not?"



Mike Blake/Reuters

MONSTER — A Green Bay Packer fan, wearing the trademark cheese hat, walking past a photograph in New Orleans of Jack Lambert, a former NFL star. Full reports of Super Bowl XXXI will appear in Tuesday's editions.

Home Victory: A Cup First for Compagnoni

Compiled by Our Staff From Dispatches

CORTINA D'AMPEZZO, Italy — Deborah Compagnoni, the Olympic and world giant slalom champion, found out at last Sunday what it was like to win in Italy.

Compagnoni, the greatest woman Alpine skier that Italy has produced — the first from her country to win gold medals at successive Olympics, in 1992 and 1994 — won in Cortina d'Ampezzo for her third consecutive giant slalom victory of the season. It was the first World Cup victory on home snow since she started out on the circuit in 1987.

In Kitzbuehel, Austria, on Sunday, Mario Reiter of Austria captured his first victory of the World Cup season in the men's slalom, ahead of Alberto Tomba of Italy.

Compagnoni, who has now won four World Cup races this season, clocked a combined time of two minutes, 38.25 seconds through falling snow. Katja Seizinger of Germany was second in 2:38.84, and Sonja Nef of Switzerland third in 2:39.67.

Compagnoni, 26, who dominates the giant slalom standings with 460 points after six races, said, "I have won in Italy at last; I've cracked it."

Pernilla Wiberg of Sweden finished fourth to stay comfortably ahead in the overall World Cup standings.

The giant slalom triumph was the eighth of the season for the Italian women, who have won the last five races, including Friday's downhill, which Isolde Kostner shared with Heidi Zurbriggen of Switzerland after a dead heat. Their success, coupled with a return to form by Tomba, is sure to increase the fever pitch the pressure on them going in to the World Championships next week. The championships open in Sestriere on Feb. 2.

In Kutzbuehel, Reiter, the 1996 world championship slalom silver medalist, clocked a winning aggregate time of one minute, 36.09 seconds for his third career World Cup victory.

"I didn't think I could do it today," he said. "Winning Kitzbuehel has always been my dream. I am not going to ski for much longer, so it's good that I fulfilled one of my goals already."

Reiter's victory came as a surprise. The 26-year-old had a weak start this season following health problems. He won his only other slalom in 1996 in Sestriere.

Tomba produced a wild but fast second run to improve on a first-leg fifth place for overall second in 1:36.28, to demonstrate that he is in good form for Sestriere despite recent injuries and illness.

Finn Christian Jagge of Norway, the 1992 Olympic slalom champion, made his first appearance on the podium this season with third place in 1:36.54.

Thomas Sykora of Austria, who was suffering from hip pains after a fall in free practice Sunday morning, disappointed in the second run and fell back from first place after the opening run to overall seventh. He has won five of the seven slaloms so far this season, putting him well ahead in the discipline standings. It was the first time in a year that Sykora had failed to finish on the slalom World Cup rostrum.

The defending overall World Cup champion, Lasse Kjus of Norway, won the combined event, which twinned Sunday's slalom with Saturday's downhill. His teammate, Kjetil Andre Aamodt, was second in the combined, and Werner Franz of Austria was third.

On Saturday, Kostner won her second race in 24 hours, edging Wiberg by .10 seconds in the super-giant slalom race. Kostner finished in one minute, 17.04 seconds, for her fourth career victory and second this season. Seizinger came in third, 0.20 behind the winner.

And in Kitzbuehel on Saturday, Fritz Strobl and Werner Franz gave Austria a 1-2 finish in a World Cup downhill. Strobl was timed in one minute, 51.58 seconds. Franz was clocked in 1:52.15.

Luc Alphand of France, the favorite for the World Championships, was third, only .05 seconds behind Franz.

(Reuters, AP)



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